

1.941
F3M41

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS

MATERIAL BEARING ON PARITY PRICES

*Presented by Howard R. Tolley
Chief of the Bureau of Agricultural Economics*

At a hearing on parity prices and income for agriculture
before a subcommittee of the Committee on Agriculture and
Forestry, United States Senate. July 1941.

Washington, D. C.
July 1941

100-104

1.10

UNITED STATES
DEPARTMENT OF AGRICULTURE
LIBRARY



CONTENTS

BOOK NUMBER 1.941
F3M41

501424

8-7671

arms and Not on Farms, United States, 1910-40

Prices Received

List of Commodities Included in Price Indexes

Chart - Prices Received by Farmers, and Prices Paid including Interest, Taxes, and Wages, Index Numbers, United States, 1910-40

Chart - Ratio Per Capita of Farm to Nonfarm Income, and Ratio of Prices Received to Prices Paid Including Interest, Taxes and Wages, United States

Chart - Wholesale Prices of Farm and Nonagricultural Products, United States, 1798-1940

Incomes of Typical Family-Operated Farms by Regions

Some Examples of Methods that Might Be Used to Compute Parity Prices of Agricultural Products, If Present Method Is To Be Revised

§

AGRICULTURE
1941

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

July 1941

LEGISLATION RELATING TO PARITY

Agricultural Adjustment Act of 1933, as amended:

The Agricultural Adjustment Act of May 1933 specified in Section 2 thereof that it was the policy of Congress among other things to:

(1) " * * * reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural commodities except tobacco shall be the pre-war period, August 1909-July 1914. In the case of tobacco, the base period shall be the post-war period, August 1919-July 1929.

7 U.S.C. Sec. 602(1) 7

(2) "To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets. 7 U.S.C. Sec. 602(2) 7

(3) "To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the pre-war period, August 1909-July 1914." 7 U.S.C. Sec. 602(3) 7

Section 1(a) of Public Law No. 320, 74th Congress, approved August 24, 1935, added the following to the first sentence of subsection (1) of section 2 quoted above:

"and, in the case of all commodities for which the base period is the pre-war period, August 1909 to July 1914, will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during the base period."

Section 62 of Public Law No. 320, 74th Congress, approved August 24, 1935, added the words "and potatoes" to subsection (1) of Section 2 quoted above, so that this subsection was made to read, in part, as follows:

" * * * The base period in the case of all agricultural commodities except tobacco and potatoes shall be the pre-war period, August 1909-July 1914. In the case of tobacco and potatoes, the base period shall be the post-war period, August 1919-July 1929." 7 U.S.C. Supp. V, Sec. 602(1) 7

The Soil Conservation and Domestic Allotment Act, as amended:

In the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, a declared purpose was the

" * * * reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and the income per person not on farms that prevailed during the five-year period August 1909-July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture and the maintenance of such ratio." 16 U.S.C. Supp. V, Sec. 590g (a) (3)

By section 104 of the Agricultural Adjustment Act of 1938, approved February 16, 1938, Section 15 of the Soil Conservation and Domestic Allotment Act, as amended, was amended to provide a formula for the apportionment of the funds available for payments under the Soil Conservation and Domestic Allotment Act, as amended. In allocating funds among the commodities with respect to which payments or grants are to be computed, the Secretary of Agriculture is required to take into consideration and to give equal weight to:

"(1) * * * (2) the value at parity prices of the production from the allotted acreages of the various commodities for the year with respect to which the payment is made; (3) * * * (4) * * *." 16 U.S.C. Supp. V, Sec. 590 c

The Agricultural Marketing Agreement Act of 1937, as amended:

The Agricultural Marketing Agreement Act, approved June 3, 1937, reenacting, amending, and supplementing certain provisions of the Agricultural Adjustment Act of 1933, as amended, with respect to marketing agreements and orders, provides in Section 2 thereof as follows:

"It is hereby declared to be the policy of Congress--

(1) Through the exercise of the powers conferred upon the Secretary of Agriculture under this title, to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period; and, in the case of all commodities for which the base period is the pre-war period, August 1909 to July 1914, will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate as contrasted with such interest payments and tax payments during the base period. The

base period in the case of all agricultural commodities except tobacco and potatoes shall be the pre-war period, August 1909-July 1914. In the case of tobacco and potatoes, the base period shall be the post-war period, August 1919-July 1929.

"(2) To protect the interest of the consumer by (a) approaching the level of prices which it is declared to be the policy of Congress to establish in subsection (1) of this section by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and (b) authorizing no action under this title which has for its purpose the maintenance of prices to farmers above the level which it is declared to be the policy of Congress to establish in subsection (1) of this section." (7 U.S.C. Supp. V, Sec. 602)

Section 8c(18) of said Act contains provisions providing for the determination of prices for milk above parity in certain cases. These provisions are as follows:

"* * * The level of prices which it is declared to be the policy of Congress to establish in section 2 and section 8c shall, for the purposes of such agreement, order, or amendment, be such level as will reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand, for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 8b or 8c, as the case may be, that the prices that will give such commodities a purchasing power equivalent to their purchasing power during the base period as determined pursuant to section 2 and section 8c are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices." 7 U.S.C. Supp. V, Sec. 608c (18) 7

Section 8(e) of said Act provides as follows:

"In connection with the making of any marketing agreement or the issuance of any order, if the Secretary finds and proclaims that, as to any commodity specified in such marketing agreement or order, the purchasing power during the base period specified for such commodity in section 2 of this title cannot be satisfactorily determined from available statistics of the Department of Agriculture, the base period, for the purposes of such marketing agreement or order, shall be the post-war period, August 1919-July 1929, or all that portion thereof for which the Secretary finds and proclaims that the purchasing power of such commodity can be satisfactorily determined from available statistics of the Department of Agriculture."

7 U.S.C. Supp. V, Sec. 608 e7

The Agricultural Adjustment Act of 1938, as amended:

Section 301(a) of the Agricultural Adjustment Act of 1938, approved February 16, 1938, provides as follows:

"(1) 'Parity', as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period; and, in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period. The base period in the case of all agricultural commodities except tobacco shall be the period August 1909 to July 1914, and, in the case of tobacco, shall be the period August 1919 to July 1929.

"(2) 'Parity', as applied to income, shall be that per capita net income of individuals on farms from farming operations that bears to the per capita net income of individuals not on farms the same relation as prevailed during the period from August 1909 to July 1914."

7 U.S.C. Supp. V, Sec. 1301(a)7

The last two sentences of section 301(a)(1) quoted above were changed by Public Law No. 876, 76th Congress, to read as follows:

"The base period in case of all agricultural commodities except tobacco shall be the period August 1909 to July 1914. In the case of all kinds of tobacco except Burley and flue-cured such base period shall be the period August 1919 to July 1929, and, in the case of Burley and flue-cured tobacco, shall be the period August 1934 to July 1939; except that the August 1919-July 1929 base period shall be used in allocating any funds appropriated prior to September 1, 1940."

Loan provisions of Agricultural Adjustment Act of 1938, as amended, affected by parity.

As originally enacted, section 302 of the Act provided as follows:

"The Commodity Credit Corporation is directed to make available to cooperators loans upon wheat during any marketing year beginning in a calendar year in which the farm price of wheat on June 15 is below 52 per centum of the parity price on such date, or the July crop estimate for wheat is in excess of a normal year's domestic consumption and exports, at rates not less than 52 per centum and not more than 75 per centum of the parity price of wheat at the beginning of the marketing year. In case marketing quotas for wheat are in effect in any marketing year, the Corporation is directed to make available, during such marketing year, to noncooperators, loans upon wheat at 60 per centum of the rate applicable to cooperators. A loan on wheat to a noncooperator shall be made only on so much of his wheat as would be subject to penalty if marketed.

"(c) The Corporation is directed to make available to cooperators loans upon cotton during any marketing year beginning in a calendar year in which the average price on August 1 of 7/8" Middling spot cotton on the 10 markets designated by the Secretary is below 52 per centum of the parity price of cotton on such date, or the August crop estimate for cotton is in excess of a normal year's domestic consumption and exports, at rates not less than 52 per centum and not more than 75 per centum of the parity price of cotton as of the beginning of the marketing year. In case marketing quotas for cotton are in effect in any marketing year, the Corporation is directed to make available, during such marketing year, to noncooperators, loans upon cotton at 60 per centum of the rate applicable to cooperators. A loan on cotton to a noncooperator shall be made only on so much of his cotton as would be subject to penalty if marketed. 7 U.S.C. Supp. V, Sec. 1302 (c)

"(d) The Corporation is directed to make available loans upon corn during any marketing year beginning in the calendar year in which the November crop estimate for corn is in excess of a normal year's domestic consumption and exports, or in any marketing year when on November 15 the farm price of corn is below 75 per centum of the parity price, at the following rates:

75 per centum of such parity price if such estimate does not exceed a normal year's consumption and exports and the farm price of corn is below 75 per centum of the parity price on November 15;

70 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by not more than 10 per centum;

65 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 10 per centum and not more than 15 per centum;

60 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 15 per centum and not more than 20 per centum;

55 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 20 per centum and not more than 25 per centum;

52 per centum of such parity price if such estimate exceeds a normal year's domestic consumption and exports by more than 25 per centum.

"Loans shall be made to cooperators in the commercial corn-producing area at the applicable rate of the above schedule. Loans shall be made to noncooperators within such commercial corn-producing area but only during a marketing year in which farm marketing quotas are in effect and only on corn stored under seal pursuant to section 324, and the rate of such loans shall be 60 per centum of the applicable rate under the above schedule. Loans shall be made to cooperators outside such commercial corn-producing area, and the rate of such loans shall be 75 per centum of the applicable rate under the above schedule."

7 U.S.C. Supp. V, Sec. 1302(d)

Section 502(a) of the Price Adjustment Act of 1938, Title V of Public Res. No. 122, 75th Congress, approved June 21, 1938, added the words "or at any time thereafter during such marketing year" immediately after the dates specified in subsections (b), (c) and (d) quoted above and also added the words "at any such time" in the appropriate places.

By the provisions of Public Law No. 27, 77th Congress, approved April 3, 1941, amending Title III, Part V, Subtitle B, of the Agricultural Adjustment Act of 1938, as amended, the Commodity Credit Corporation is directed to make available loans upon the marketing quota of peanuts for each farm, during any marketing year in which marketing quotas are in effect. Such provisions are contained in Part VI, added to the Agricultural Adjustment Act of 1938, as amended, section 359(e), and are as follows:

" * * * The Commodity Credit Corporation is directed to make available loans upon peanuts during any marketing year in which marketing quotas are in effect. Such loans shall be made only to producers, farmer cooperatives, and farmer associations, only on the marketing quota for each farm, at rates not less than 50 per centum and not more than 75 per centum of the parity price of peanuts as of the beginning of the marketing year (which parity price shall be on the basis of the formula used in determining the parity price of peanuts as published by the Bureau of Agricultural Economics in The Agricultural Situation, volume 25, number 1, January 1941), and the peanuts shall be the sole security for such loans."

Public Law No. 74, 77th Congress, approved May 26, 1941, contains the following provisions in paragraph "(10)" thereof with respect to 1941 loans by the Commodity Credit Corporation:

"The Commodity Credit Corporation is directed to make available upon the 1941 crop of the commodities cotton, corn, wheat, rice, or tobacco, for which producers have not disapproved marketing quotas for the marketing year beginning in 1941, loans as follows:

(a) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 85 per centum of the parity price for the commodity as of the beginning of the marketing year;

(b) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (a) above;

(c) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (a) above and only on so much of the commodity as would be subject to penalty if marketed."

Parity payments:

Section 303 of the Agricultural Adjustment Act of 1938, as amended, provides as follows:

"If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco, on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law." 7 U.S.C. Supp. V, Sec. 1303

The Price Adjustment Act of 1938:

The Price Adjustment Act of 1938, Public Res. No. 122, 75th Congress, approved June 21, 1938, 52 Stat. 819, providing for price adjustment payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco, provides in part as follows:

"There is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of \$212,000,000 to enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938: Provided, however, That, notwithstanding the provisions of said section, one-half of this sum shall be apportioned among such commodities in accordance with the provisions of said section 303 of the Agricultural Adjustment Act of 1938 and one-half shall be apportioned among such commodities in the same proportion that funds available for sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act would be allocated to such

commodities in connection with the 1939 agricultural conservation program on the basis of the standards set forth in section 104 of the Agricultural Adjustment Act of 1938: Provided further, That such payments with respect to any such commodity shall be made upon the normal yield of the farm acreage allotment established for the commodity under the 1939 agricultural conservation program, and shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1939 is not in excess of the farm acreage allotment established for the commodity under said program: And provided further, That the rate of payment with respect to any commodity shall not exceed the amount by which the average farm price of the commodity is less than 75 per centum of the parity price.

"In apportioning the funds among commodities, parity income for each commodity shall be considered a normal year's domestic consumption and exports (in the case of corn, that part of a normal year's domestic consumption and exports determined on the basis of the proportion that corn production in the commercial corn-producing area was of United States production during the five years 1928-32, inclusive) of such commodity times the parity price. In determining parity prices and farm prices for these commodities, that part of the marketing year ending January 31, 1939, shall be used. * * *"

Appropriation for Parity Payments in Department of Agriculture
Appropriation Act for Fiscal Year Ending June 30, 1940. (Public
Law No. 159, 76th Congress, Approved June 30, 1939, 53 Stat. 974.)

"To enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938, \$225,000,000: Provided, however, that in expending the appropriation in this paragraph the rate of payment with respect to any commodity shall not exceed the amount by which the average farm price of the commodity is less than 75 per centum of the parity price: Provided further, That such payments with respect to any such commodity shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1940 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program."

Appropriation for Parity Payments in Department of Agriculture
Appropriation Act for Fiscal Year Ending June 30, 1941. (Public
Law No. 658, 76th Congress, 54 Stat. 561.)

"To enable the Secretary of Agriculture to make to producers of wheat, cotton, corn (in the commercial corn-producing area), rice and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938, \$212,000,000: Provided, That such payments with respect to any such commodity shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1941, is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program."

Appropriation for Parity Payments in Department of Agriculture
Appropriation Act for Fiscal Year Ending June 30, 1942. (Public
Law No. 144, 77th Congress, Approved July 1, 1941.)

"To enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of

the Agricultural Adjustment Act of 1938, \$212,000,000, of which \$97,375 shall be transferred to and made a part of the appropriation, "Salaries and expenses, Bureau of Agricultural Economics", to remain available until June 30, 1944: Provided, That such payments with respect to any such commodity shall be made with respect to a farm in full amount only in the event that the acreage planted to the commodity for harvest on the farm in 1942 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program, and, if such allotment has been exceeded, the parity payment with respect to the commodity shall be reduced by not more than 10 per centum for each 1 per centum, or fraction thereof, by which the acreage planted to the commodity is in excess of such allotment. The Secretary may also provide by regulations for similar deductions for planting in excess of the acreage allotment for the commodity on other farms or for planting in excess of the acreage allotment or limit for any other commodity for which allotments or limits are established under the agricultural conservation program on the same or any other farm.

"If the sum of the prevailing basic-loan rate or the average farm price, whichever is the higher, for the crop year 1941 and the applicable rate of the payments announced under the Soil Conservation and Domestic Allotment Act, for the purposes of the 1942 agricultural conservation program and the parity payments herein appropriated, exceed an amount sufficient to increase the farmers' returns to parity prices, parity payments shall be so adjusted, as to provide a return to producers which is equal to but not greater than parity price.

"The proviso contained in the paragraph headed 'Parity Payments' in the Department of Agriculture Appropriation Act, 1941, is amended to read as follows: Provided, That such payments with respect to any such commodity shall be made with respect to a farm in full amount only in the event that the acreage planted to the commodity for harvest on the farm in 1941 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program, and, if such allotment has been exceeded, the parity payment with respect to the commodity shall be reduced by not more than 10 per centum for each 1 per centum, or fraction thereof, by which the acreage planted to the commodity is in excess of such allotment.": Provided, That the item entitled "Parity Payments", contained in the Department of Agriculture Appropriation Act, 1941, is amended by inserting immediately following the figures \$212,000,000 and before the colon, a comma and the following: "together with the unobligated balances of the appropriation made under this head by the Department of Agriculture Appropriation Act, 1940, approved June 30, 1939 (53 Stat. 939)".

Public Law No. 147, 77th Congress, approved July 1, 1941:

This law, extending the life and increasing the credit resources of the Commodity Credit Corporation, also contains in section 4 thereof provisions relating to parity prices as follows:

"Sec. 4. (a) Whenever during the existing emergency the Secretary of Agriculture finds it necessary to encourage the expansion of production of any non-basic agricultural commodity, he shall make public announcement thereof and he shall so use the funds made available under section 3 of this Act or otherwise made available to him for the disposal of agricultural commodities, through a commodity loan, purchase, or other operation, taking into account the total funds available for such purpose for all commodities, so as to support a price for the producers of any such commodity with respect to which such announcement was made of not less than 85 per centum of the parity or comparable price therefor. The comparable price for any such commodity shall be determined and used by the Secretary for the purposes of this section if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities. Any such commodity loan, purchase, or other operation which is undertaken shall be continued until the Secretary has given sufficient public announcement to permit the producers of such commodity to make a readjustment in the production of the commodity. For the purposes of this section, commodities other than cotton, corn, wheat, tobacco, and rice shall be deemed to be non-basic commodities.

"(b) It is hereby declared to be the policy of the Congress that the lending and purchase operations of the Department of Agriculture (other than those referred to in subsection (a) shall be carried out so as to bring the price and income of the producers of non-basic commodities not covered by any such public announcement to a fair parity relationship with other commodities, to the extent that funds for such operations are available after taking into account the operations with respect to the basic commodities and the commodities listed in any such public announcement and the ability of producers to bring supplies into line with demand."

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

TABLES ON NATIONAL INCOME

Table 1. National income, agricultural and nonagricultural, received by persons on farms and not on farms, 1909-40.

Table 2. Net income of persons on farms from farming, 1909-40.

Table 3. Population, number of farms, acres in farms, and income to persons on farms and not on farms, 1910-40.

Table 4. Income per farm, and income per person on farms and not on farms, 1910-40.

Table 5. Income to persons on farms as percentage of national income and farm population as percentage of total population, 1910-40.

(Preliminary)

Washington, D. C.
July, 1941

Table 1.- National income, agricultural and nonagricultural,
received by persons on farms and not on farms, 1909-40

Year	United States					
	Income		Net income		Net income	
	from agriculture	of the nonfarm population	from agriculture	from agriculture	from agriculture	National income
income	by persons	population	agriculture	agriculture	by persons	on farms
	(1)	(2)	(3)	(4)	(5)	(6)
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
1909	25,475	730	26,205	4,691	3,961	30,166
1910	27,816	774	28,590	5,248	4,474	33,064
1911	27,737	812	28,549	4,753	3,941	32,490
1912	29,229	865	30,094	5,227	4,362	34,456
1913	32,452	887	33,339	5,310	4,423	37,762
1914	30,893	929	31,822	5,474	4,545	36,367
1915	32,822	1,003	33,825	5,432	4,429	38,254
1916	38,626	1,192	39,818	6,287	5,095	44,913
1917	43,415	1,562	44,977	9,945	8,383	53,360
1918	46,701	1,722	48,423	11,420	9,698	58,121
1919	54,327	1,871	56,198	11,809	9,938	66,136
1920	63,282	1,692	64,974	10,111	8,419	73,393
1921	53,062	1,455	54,517	5,271	3,816	58,333
1922	54,089	1,549	55,638	6,428	4,879	60,517
1923	63,384	1,646	65,030	7,291	5,645	70,675
1924	63,334	1,694	65,028	7,300	5,606	70,634
1925	66,657	1,615	68,272	8,530	6,915	75,187
1926	72,130	1,619	73,749	8,266	6,647	80,396
1927	70,476	1,668	72,144	8,026	6,358	78,502
1928	72,669	1,647	74,316	8,375	6,728	81,044
1929	77,538	1,643	79,181	8,416	6,773	85,954
1930	68,796	1,412	70,208	6,589	5,177	75,385
1931	55,233	1,116	56,349	4,634	3,518	59,867
1932	40,388	917	41,305	3,232	2,315	43,620
1933	38,082	914	38,996	3,924	3,010	42,006
1934	44,909	951	45,860	4,507	3,556	49,416
1935	50,249	1,040	51,289	6,117	5,077	56,366
1936	59,200	1,094	60,294	6,534	5,440	65,734
1937	64,314	1,119	65,433	7,341	6,222	71,655
1938	60,302	1,046	61,348	6,144	5,098	66,446
1939	64,730	1,032	65,762	6,404	5,372	71,134
1940	69,926	1,044	70,970	6,544	5,500	76,470

Table 1

(1) Nonagricultural income is net national income from all sources other than agriculture.

Three overlapping series of national income estimates were used in developing a continuous series of nonagricultural income estimates (1) The estimates of Willford I. King for the years 1909-28, appearing in "The National Income and Its Purchasing Power," National Bureau of Economic Research, Inc., 1930; (2) the revised estimates of Simon Kuznets for the years 1919-38, to appear in a forthcoming publication of the National Bureau of Economic Research entitled "The National Income and Its Composition"; and (3) the estimates of the Department of Commerce for the years 1929-40, appearing in the June 1941 issue of the Survey of Current Business.

Since the Department of Commerce estimates were accepted as given for all components, and were merely supplemented by a few items not currently included in its totals, the income of the nonfarm population for 1929-40 can be derived from the Commerce national income estimates for those years by a few simple operations, as follows: Subtract (1) agriculture's contribution, (2) farm rents included under "real estate," and (3) farm mortgage interest paid by nonfarm landlords included under "real estate"; add (1) imputed net rent on owner-occupied nonfarm dwellings, (2) certain adjustments to remove revaluation elements from the net income of business enterprise, and (3) income from agriculture going to persons not living on farms, (column 2).

(2) Income from agriculture received by persons not on farms includes rent to nonfarm landlords, wages to farm laborers not living on farms, and interest on farm mortgages.

(3) The income of the nonfarm population shown here is nonagricultural income, column 1 plus income from agriculture received by persons not on farms, column 2. It is too large to the extent that persons on farms receive income from nonagricultural sources. No data are available for the construction of reliable annual estimates of non-agricultural income received by persons on farms.

(4) Net income from agriculture is estimated by subtracting production expenses from gross income, which includes receipts from sales, Government payments, the value of the produce consumed by persons on farms, the rental value of the home, and inventory changes. See table 2.

(5) The net income from agriculture received by persons on farms is obtained by subtracting column 2 from column 4. This is not the total net income to persons on farms, as many persons living on farms receive income from other sources, including dividends, interest, and wages for work off the farm. It includes the net income of farm operators from farming, wages to laborers on farms, and net rent to landlords living on farms. See table 2.

(6) National income is net income from agriculture, column 4, plus nonagricultural income, column 1.

Table 2.- Net income of persons on farms from farming, 1909-40

United States

Year	Gross income excluding changes in inventories		Value of changes in inventories		Gross income including changes in inventories		Production expenses and payments of mortgage interest, wages and rent to persons		Net income to farm laborers on farms from nonfarm persons farming		Farm wages to laborers on farms operators		Net income of farm operators	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	
<u>Excluding Government payments</u>														
1909	6,880	- 88	6,792	2,831	3,961	531	3,430							
1910	7,352	+ 151	7,503	3,029	4,474	546	3,928							
1911	7,081	- 67	7,014	3,073	3,941	547	3,394							
1912	7,561	+ 96	7,657	3,295	4,362	568	3,794							
1913	7,821	+ 26	7,847	3,424	4,423	575	3,848							
1914	7,638	+ 426	8,064	3,519	4,545	572	3,973							
1915	7,968	+ 73	8,041	3,612	4,429	577	3,852							
1916	9,532	- 266	9,266	4,171	5,095	634	4,461							
1917	13,147	+ 321	13,668	5,285	8,383	797	7,586							
1918	16,232	+ 39	16,271	6,573	9,698	947	8,751							
1919	17,710	- 450	17,260	7,322	9,938	1,078	8,660							
1920	15,908	+ 348	16,256	7,837	8,419	1,242	7,177							
1921	10,478	- 613	9,865	6,049	3,816	805	3,011							
1922	10,883	+ 18	10,901	6,022	4,879	775	4,104							
1923	11,967	- 75	11,892	6,247	5,645	841	4,804							
1924	12,623	- 412	12,211	6,605	5,606	844	4,762							
1925	13,567	- 93	13,474	6,659	6,915	856	6,059							
1926	13,204	+ 25	13,229	6,582	6,647	893	5,754							
1927	13,251	- 259	12,992	6,634	6,358	867	5,491							
1928	13,550	+ 130	13,686	6,958	6,728	856	5,872							
1929	13,824	- 166	13,658	6,885	6,773	863	5,910							
1930	11,388	+ 12	11,400	6,223	5,177	774	4,403							
1931	8,378	+ 150	8,528	5,010	3,518	588	2,930							
1932	6,406	+ 39	6,445	4,130	2,315	413	1,902							
1933	6,924	- 56	6,868	3,971	2,897	370	2,527							
1934	8,033	- 664	7,369	4,211	3,158	404	2,754							
1935	8,995	+ 63	9,058	4,479	4,579	456	4,123							
1936	10,304	- 297	10,007	4,818	5,189	490	4,699							
1937	10,909	+ 230	11,139	5,231	5,908	557	5,351							
1938	9,563	+ 4	9,567	4,883	4,684	528	4,156							
1939	9,718	+ 200	9,918	5,252	4,666	515	4,151							
1940	10,248	+ 38	10,286	5,458	4,828	525	4,303							
<u>Including Government payments</u>														
1933	7,055	- 56	6,999	3,989	3,010	370	2,640							
1934	8,479	- 664	7,815	4,259	3,556	404	3,152							
1935	9,568	+ 63	9,631	4,554	5,077	456	4,621							
1936	10,591	- 297	10,294	4,854	5,440	490	4,950							
1937	11,276	+ 230	11,506	5,284	6,222	557	5,665							
1938	10,045	+ 4	10,049	4,951	5,098	528	4,570							
1939	10,525	+ 200	10,725	5,353	5,372	515	4,857							
1940	11,014	+ 38	11,052	5,552	5,500	525	4,975							

Table 2

- (1) Gross income includes receipts from the sales of farm products, Government payments to farmers, the value of the products of the farm consumed by persons on farms, and the residential value of the farm homes.
- (2) Changes in numbers of livestock and quantities of crops on farms, between the beginning and end of the year, are valued at prices at the end of the year. A minus indicates that there was a net reduction in the quantities of crops and livestock on farms, whereas a plus indicates that there was a net increase.
- (3) Adding columns 1 and 2 results in gross income including changes in inventories. This is used in comparing the net income from agriculture with the income from other sources, because inventory changes have been taken into account in estimating the national income.
- (4) The annual expenses of production include the cost of the goods and services annually used up in production and estimates of depreciation or maintenance of durable implements and equipment, also the depreciation or cost of maintenance of dwellings on the farm.
- (5) The net income to persons on farms is the gross income, including changes in inventories (column 3) minus production expenses and other payments to nonfarm persons.
- (6) Farm wages to laborers on farms include cash wages and the value of food, fuel and lodging furnished the laborer and his family for living on the farm. They do not include any wages or other income the farm laborer may receive from nonfarm sources.
- (7) The net income of farm operators from farming is the net income (column 5) minus payments to laborers. The farm operators include croppers.

Table 3.- Population, number of farms, acres in farms, and income to persons on farms and not on farms, 1910-40

Year	United States					
	Population		Number of farms	Acres in farms	Income to persons	
	Farm	Nonfarm	Thousands	Thousands	On farms	Not on farms
	(1)	(2)	(3)	(4)	(5)	(6)
	Thousands	Thousands	Thousands	Million acres	Million dollars	Million dollars
1910	32,077	59,340	6,362	881	4,474	28,590
1911	32,110	61,000	6,390	888	3,941	28,549
1912	32,210	62,270	6,420	895	4,362	30,094
1913	32,270	63,950	6,450	903	4,423	33,339
1914	32,320	66,000	6,480	910	4,545	31,822
1915	32,440	67,440	6,520	918	4,429	33,825
1916	32,530	68,750	6,560	925	5,095	39,818
1917	32,340	70,490	6,540	933	8,383	44,977
1918	31,770	72,320	6,520	940	9,698	48,423
1919	30,930	73,770	6,470	948	9,938	56,198
1920	31,614	74,247	6,448	956	8,419	64,974
1921	31,763	75,932	6,500	949	3,816	54,517
1922	31,749	77,800	6,510	942	4,879	55,638
1923	31,130	80,117	6,400	938	5,645	65,030
1924	30,817	82,549	6,350	930	5,606	65,028
1925	30,830	84,330	6,372	924	6,915	68,272
1926	30,619	86,166	6,340	936	6,647	73,749
1927	30,170	88,217	6,260	950	6,358	72,144
1928	30,188	89,735	6,270	961	6,728	74,316
1929	30,220	91,029	6,290	974	6,773	79,181
1930	30,169	92,328	6,289	987	5,177	70,208
1931	30,497	93,146	6,390	1,000	3,518	56,349
1932	30,971	93,504	6,530	1,014	2,315	41,305
1933	31,693	93,529	6,720	1,027	3,010	38,996
1934	31,770	94,241	6,770	1,041	3,556	45,860
1935	31,801	95,063	6,812	1,055	5,077	51,289
1936	31,355	96,363	6,640	1,056	5,440	60,294
1937	30,846	97,628	6,460	1,057	6,222	65,433
1938	30,502	98,851	6,320	1,058	5,098	61,348
1939	30,305	100,099	6,210	1,060	5,372	65,762
1940	30,079	101,377	6,097	1,061	5,500	70,970

Bureau of Agricultural Economics, United States Department of Agriculture.

Table 3

- (1) The population on farms includes all persons enumerated on farms in the taking of the census, whether or not they are engaged in farming. The census enumerations and estimates have been taken for the census years, adjusted to January 1, in the years in which the census was not taken as of the beginning of the year. The population for the intercensal years has been estimated by the Department of Agriculture.
- (2) The nonfarm population is the total population less the farm population. The total population is determined by the census, adjusted when necessary to January 1, in years in which the census is taken. The annual estimates between the census years are based upon statistics of births, deaths, immigration and emigration.
- (3) The number of farms is reported by the census and estimated between census years on the basis of the changes indicated by the censuses and also on indications of change in the population on farms.
- (4) The acres in farms are enumerated by the censuses, and estimated between censuses from changes indicated by enumerations at the beginning and end of the intercensal period together with indications of changes in number of persons on farms.
- (5) The income to persons on farms is net income from agriculture received by persons on farms, see column (5), table 1.
- (6) Income to persons not on farms includes nonagricultural income and income received from agriculture, as in column (3), table 1.

Table 4.- Income per farm, and income per person on farms and not on farms, 1910-40

Year	United States					
	Net income from agriculture per farm	Net income from agriculture per person	Income per person not on farms	Index of income per capita	Ratio per capita	
	Year	Year	Year	Farm	Nonfarm	
	(1)	(2)	(3)	(1910-14 = 100)	(1910-14 = 100)	(1910-14 = 100)
	Dollars	Dollars	Dollars	Percent	Percent	Percent
Excluding Government payments						
1910	703	139	482	103.0	98.9	104.1
1911	617	123	468	91.1	96.1	94.8
1912	679	135	483	100.0	99.1	100.9
1913	686	137	521	101.5	106.9	94.9
1914	701	141	482	104.4	98.9	105.6
1915	679	137	502	101.5	103.0	98.5
1916	777	157	579	116.3	118.8	97.9
1917	1,282	259	638	191.9	131.0	146.5
1918	1,487	305	670	225.9	137.5	164.3
1919	1,536	321	762	237.8	156.4	152.0
1920	1,306	266	875	197.0	179.6	109.7
1921	587	120	718	88.9	147.4	60.3
1922	749	154	715	114.1	146.8	77.7
1923	882	181	812	134.1	166.7	80.4
1924	883	182	788	134.8	161.7	83.4
1925	1,085	224	810	165.9	166.3	99.8
1926	1,048	217	856	160.7	175.7	91.5
1927	1,016	211	818	156.3	167.9	93.1
1928	1,073	223	828	165.2	170.0	97.2
1929	1,077	224	870	165.9	178.6	92.9
1930	823	172	760	127.4	156.0	81.7
1931	551	115	605	85.2	124.2	68.6
1932	355	75	442	55.6	90.7	61.3
1933	431	91	417	67.4	85.6	78.7
1934	466	99	487	73.3	100.0	73.3
1935	672	144	540	106.7	110.8	96.3
1936	781	165	626	122.2	128.5	95.1
1937	915	192	670	142.2	137.5	103.4
1938	741	154	625	114.1	128.3	88.9
1939	751	154	657	114.1	134.9	84.6
1940	792	161	700	119.3	143.7	83.0
Including Government payments						
1933	448	95	417	70.4	85.6	82.2
1934	525	112	487	83.0	100.0	83.0
1935	745	160	540	118.5	110.8	106.9
1936	819	173	626	128.1	128.5	99.7
1937	963	202	670	149.6	137.5	108.8
1938	807	167	625	123.7	128.3	96.4
1939	865	177	657	131.1	134.9	97.2
1940	902	183	700	135.6	143.7	94.4

Table 4

- (1) Net income from agriculture per farm is column (5), table 1, divided by number of farms, column (3), table 3. This includes the net income to farm operators and to laborers living on farms.
- (2) Income from agriculture per person on farms is net income, column (5), table 1, divided by number of persons on farms, column (1), table 3. Persons on farms include farm operators and their families, farm laborers and their families, and also some other persons living on farms. The total income per person living on farms is considerably larger than that from agriculture, as many receive income from nonfarm sources.
- (3) Income per person not on farms includes nonagricultural income and the income from agriculture received by persons not on farms, as indicated in column (3), table 1, divided by nonfarm population, column (2), table 3. The indicated income per person not on farms is slightly too large on account of the fact that some nonagricultural income is really paid to persons on farms.
- (4) Averaging the net income from agriculture per person on farms (2) for the years 1910-14, and relating the income for each year to this average, provides a series of index numbers for use in comparison with income per person not on farms.
- (5) Averaging the income per person not on farms (3) for the years 1910-14, and relating the income for each year to this average, provides a series of index numbers for use in comparison with income per person on farms.
- (6) This provides the parity measure of the relation of the net income of individuals on farms from farm operations to the income of individuals not on farms as specified in the Agricultural Adjustment Act of 1938.

Table 5. Income to persons on farms as percentage of national income and farm population as percentage of total population, 1910-40

Year	United States		
	: Income to persons on farms		Farm population as
	: as percentage of	: percentage of	: total population 2/
	: Percent		Percent
1910	13.5		35.1
1911	12.1		34.5
1912	12.7		34.1
1913	11.7		33.5
1914	12.5		32.9
1915	11.6		32.5
1916	11.3		32.1
1917	15.7		31.4
1918	16.7		30.5
1919	15.0		29.5
1920	11.5		29.9
1921	6.5		29.5
1922	8.1		29.0
1923	8.0		28.0
1924	7.9		27.2
1925	9.2		26.8
1926	8.3		26.2
1927	8.1		25.5
1928	8.3		25.2
1929	7.9		24.9
1930	6.9		24.6
1931	5.9		24.7
1932	5.3		24.9
1933	7.2		25.3
1934	7.2		25.2
1935	9.0		25.1
1936	8.3		24.6
1937	8.7		24.0
1938	7.7		23.6
1939	7.6		23.2
1940	7.2		22.9

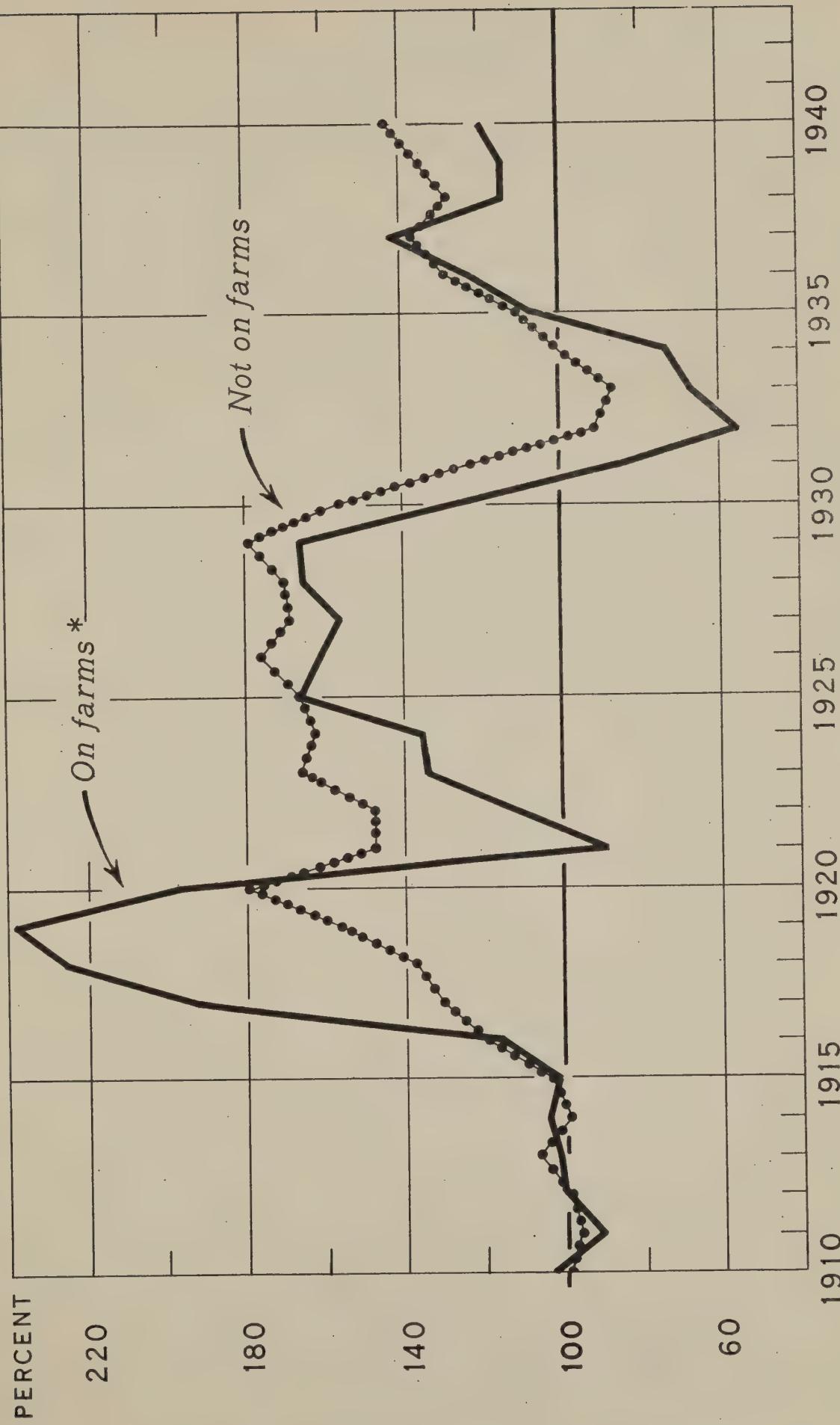
Bureau of Agricultural Economics, United States Department of Agriculture

1/ Including Government payments and value of changes in inventories.
From table 1, col. 5 :÷ col. 6.

2/ As of January 1. From table 3.

INCOME PER CAPITA, ON FARMS AND NOT ON FARMS, UNITED STATES, 1910-40

INDEX NUMBERS (1910-14=100)



* EXCLUDING GOVERNMENT PAYMENTS

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

FARM INCOME AND EXPENDITURES

Table 1 - Cash income from marketings, and Government payments, 1910-40

- " 2 - Cash income from crops by groups of commodities, 1910-40
- " 3 - Cash income from livestock and livestock products, 1910-40
- " 4 - Cash income from 5 basic crops, 1910-40
- " 5 - Cash income from crops other than 5 basic crops, 1910-40
- " 6 - Cash income from 5 basic crops, other crops, and total livestock, United States, 1910-40
- " 7 - Non-money income furnished by farms, 1910-40
- " 8 - Gross farm income, 1910-40
- " 9 - Production expenses of farm operators, 1910-40
- " 10 - Net cash available to persons on farms after farm expenditures, 1910-40
- " 11 - Net income to persons on farms, by sources, 1910-40
- " 12 - Value of farm property, and farm debt, United States, 1910-40

(Preliminary)

Washington, D. C.
July, 1941

Table 1.- Cash income from marketings, and Government payments, 1910-40

Year	Cash income from marketings:			Total cash income	
	Livestock				
	Crops	and	Government		
		livestock	payments		
		products			
	Million	Million	Million	Million	
	dollars	dollars	dollars	dollars	
1910	2,950	2,843		5,793	
1911	2,925	2,671		5,596	
1912	3,111	2,906		6,017	
1913	3,095	3,153		6,248	
1914	2,920	3,130		6,050	
1915	3,280	3,123		6,403	
1916	4,043	3,707		7,750	
1917	5,660	5,086		10,746	
1918	6,985	6,476		13,461	
1919	7,674	6,928		14,602	
1920	6,654	5,954		12,608	
1921	4,199	3,951		8,150	
1922	4,321	4,273		8,594	
1923	4,885	4,078		9,563	
1924	5,415	4,806		10,221	
1925	5,526	5,469		10,995	
1926	4,889	5,675		10,564	
1927	5,157	5,599		10,756	
1928	5,044	6,028		11,072	
1929	5,125	6,171		11,296	
1930	3,840	5,181		9,021	
1931	2,536	3,835		6,371	
1932	1,997	2,746		4,743	
1933	2,473	2,841	131	5,445	
1934	3,004	3,313	446	6,763	
1935	2,978	4,064	573	7,615	
1936	3,651	4,633	287	8,571	
1937	3,948	4,861	367	9,176	
1938	3,189	4,459	482	8,130	
1939	3,365	4,486	807	8,658	
1940	3,532	4,822	766	9,120	

Bureau of Agricultural Economics, United States Department of Agriculture.

Table 2.- Cash income from crops by groups of commodities, 1910-40

Year	Cotton		Bread		Oil-bearing		Feed		Fruits		Sugar		For-est		Other	
	and	To-bacco	grains	grains	crops	and	Vege-tables	and	nuts	and	crops	prod-	crops	Total	crops	Total
	seed		1/	grains	2/	hay								3/	ucts	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.	dol.
:																
1910	880	102	530	46	601	291	232	58	92	118	2,950					
1911	855	96	483	50	560	328	271	68	93	121	2,925					
1912	852	108	534	56	623	383	278	56	92	124	3,111					
1913	968	135	535	45	570	314	250	62	92	124	3,095					
1914	602	99	720	39	557	339	284	58	94	128	2,920					
1915	830	93	823	39	623	306	282	61	95	128	3,280					
1916	1,148	139	899	53	721	436	314	79	112	142	4,043					
1917	1,604	241	1,188	74	1,050	691	383	102	144	183	5,660					
1918	1,785	343	1,699	100	1,436	617	488	132	186	199	6,985					
1919	2,282	500	1,746	96	1,173	619	642	141	218	257	7,674					
:																
1920	1,476	295	1,537	72	1,222	744	677	154	238	239	6,654					
1921	852	253	954	39	637	516	506	96	156	190	4,199					
1922	1,148	249	748	46	614	532	555	86	146	197	4,321					
1923	1,569	276	676	67	691	592	536	98	154	226	4,885					
1924	1,664	260	889	103	906	589	546	89	136	233	5,415					
1925	1,762	260	915	88	773	684	589	80	127	248	5,520					
1926	1,222	240	908	65	664	731	607	80	123	249	4,889					
1927	1,500	246	974	87	660	664	590	84	106	246	5,157					
1928	1,453	247	838	84	748	629	621	78	103	243	5,044					
1929	1,512	279	790	85	706	710	620	81	100	242	5,125					
:																
1930	824	244	499	72	553	685	561	90	89	223	3,840					
1931	497	157	298	39	298	488	457	72	61	169	2,536					
1932	461	115	220	31	235	358	327	68	54	128	1,997					
1933	577	157	337	32	302	446	346	80	64	132	2,473					
1934	863	236	350	51	332	498	394	62	65	153	3,004					
1935	712	242	417	66	286	502	443	73	74	163	2,978					
1936	905	243	499	73	451	656	462	89	80	193	3,651					
1937	883	321	659	82	435	648	546	83	83	208	3,948					
1938	647	294	444	92	418	533	404	87	76	194	3,189					
1939	629	269	475	113	478	508	443	80	82	208	3,365					
:																
1940	660	240	496	139	553	625	443	78	83	215	3,532					
:																

Bureau of Agricultural Economics, United States Department of Agriculture.

1/ Wheat, rye, rice, buckwheat.

2/ Flaxseed, soybeans, peanuts.

3/ Includes greenhouse and nursery products, legume and grass seeds, hops, peppermint, popcorn and broomcorn.

Table 3.- Cash income from livestock and livestock products, 1910-40

Year	Hogs		Cattle		Sheep		Dairy		Poultry		Other		Total
			and calves		and lambs		Wool		prod- ucts		and eggs		1/
	Million dollars												
1910	670	851	105	66	597	480	74	2,843					
1911	617	783	99	48	577	449	98	2,671					
1912	647	885	109	48	630	480	107	2,906					
1913	741	999	115	44	669	477	108	3,153					
1914	713	985	116	42	667	498	109	3,130					
1915	691	966	111	53	685	499	118	3,123					
1916	949	1,132	127	64	764	554	117	3,707					
1917	1,299	1,651	159	99	1,029	740	109	5,086					
1918	1,866	2,029	196	147	1,250	872	116	6,476					
1919	1,911	1,921	214	134	1,522	1,111	117	6,928					
1920	1,385	1,528	166	114	1,529	1,155	77	5,954					
1921	857	876	109	42	1,200	824	43	3,951					
1922	1,024	1,037	143	62	1,171	800	36	4,273					
1923	1,027	1,042	160	91	1,425	892	41	4,678					
1924	1,064	1,119	180	87	1,406	909	41	4,806					
1925	1,313	1,252	207	100	1,515	1,038	39	5,469					
1926	1,407	1,271	205	92	1,566	1,093	41	5,675					
1927	1,237	1,336	197	88	1,685	1,017	39	5,599					
1928	1,218	1,556	221	114	1,756	1,121	42	6,028					
1929	1,297	1,495	224	99	1,838	1,181	37	6,171					
1930	1,136	1,184	161	69	1,607	998	26	5,181					
1931	774	838	130	51	1,277	746	19	3,835					
1932	445	621	93	30	986	558	13	2,746					
1933	524	600	104	77	1,004	514	18	2,841					
1934	521	815	131	81	1,144	599	22	3,313					
1935	671	1,062	156	70	1,297	775	33	4,064					
1936	965	1,098	170	97	1,459	799	45	4,633					
1937	923	1,215	192	117	1,531	832	51	4,861					
1938	869	1,144	162	71	1,396	775	42	4,459					
1939	812	1,279	180	84	1,355	734	42	4,486					
1940	821	1,380	190	110	1,527	754	40	4,822					

Bureau of Agricultural Economics, United States Department of Agriculture.
1/ Includes mohair, horses, mules, and honey.

Table 4.- Cash income from 5 basic crops, 1910-40

Year	Cotton	Tobacco	Wheat	Corn	Rice	Total
	lint					
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
1910	781	102	495	296	15	1,689
1911	779	96	446	262	15	1,598
1912	772	108	493	299	18	1,690
1913	870	135	493	276	20	1,794
1914	525	99	674	256	19	1,573
1915	707	93	773	302	18	1,893
1916	955	139	829	354	30	2,307
1917	1,355	241	1,067	547	47	3,257
1918	1,516	343	1,533	811	69	4,272
1919	2,038	500	1,572	590	83	4,783
1920	1,367	295	1,368	613	74	3,717
1921	770	253	866	334	38	2,261
1922	1,061	249	661	316	37	2,324
1923	1,448	276	605	358	36	2,723
1924	1,523	260	799	476	43	3,101
1925	1,601	260	844	407	39	3,151
1926	1,095	240	843	362	40	2,580
1927	1,347	246	895	350	43	2,881
1928	1,294	247	770	424	38	2,773
1929	1,363	279	727	398	38	2,805
1930	727	244	451	305	33	1,760
1931	455	157	266	151	26	1,055
1932	419	115	200	110	15	859
1933	529	157	304	175	22	1,187
1934	759	236	317	191	24	1,527
1935	608	242	372	125	37	1,384
1936	763	243	451	265	32	1,754
1937	770	321	605	223	33	1,952
1938	558	294	400	269	34	1,555
1939	550	269	432	319	33	1,603
1940	573	240	447	370	38	1,668

Bureau of Agricultural Economics, United States Department of Agriculture.

Table 5.- Cash income from crops other than five basic crops, 1910-40

Year	Oil- bearing crops 1/	Vege- tables	Fruits and nuts	Sugar crops	Other crops 2/	Total Million dollars
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	
1910	145	291	232	58	535	1,261
1911	126	328	271	68	534	1,327
1912	136	388	278	56	563	1,421
1913	143	314	250	62	532	1,301
1914	116	339	284	58	550	1,347
1915	162	306	282	61	576	1,387
1916	246	436	314	79	661	1,736
1917	323	691	383	102	904	2,403
1918	369	617	488	132	1,107	2,713
1919	339	619	642	141	1,150	2,891
1920	181	744	677	154	1,181	2,937
1921	122	516	506	96	698	1,938
1922	134	532	555	86	690	1,997
1923	188	592	536	98	748	2,162
1924	244	589	546	89	846	2,314
1925	249	684	589	80	773	2,375
1926	193	731	607	80	698	2,309
1927	241	664	590	84	697	2,276
1928	242	629	621	78	701	2,271
1929	234	710	620	81	675	2,320
1930	169	685	561	90	575	2,080
1931	81	488	457	72	383	1,481
1932	73	358	327	68	312	1,138
1933	80	446	346	80	334	1,286
1934	155	498	394	62	368	1,477
1935	169	502	443	73	407	1,594
1936	215	656	462	89	475	1,897
1937	196	648	546	83	523	1,996
1938	181	533	404	87	429	1,634
1939	191	588	443	80	460	1,762
1940	225	625	443	78	493	1,864

Bureau of Agricultural Economics. United States Department of Agriculture.

1/ Includes cottonseed, flaxseed, peanuts, and soybeans.

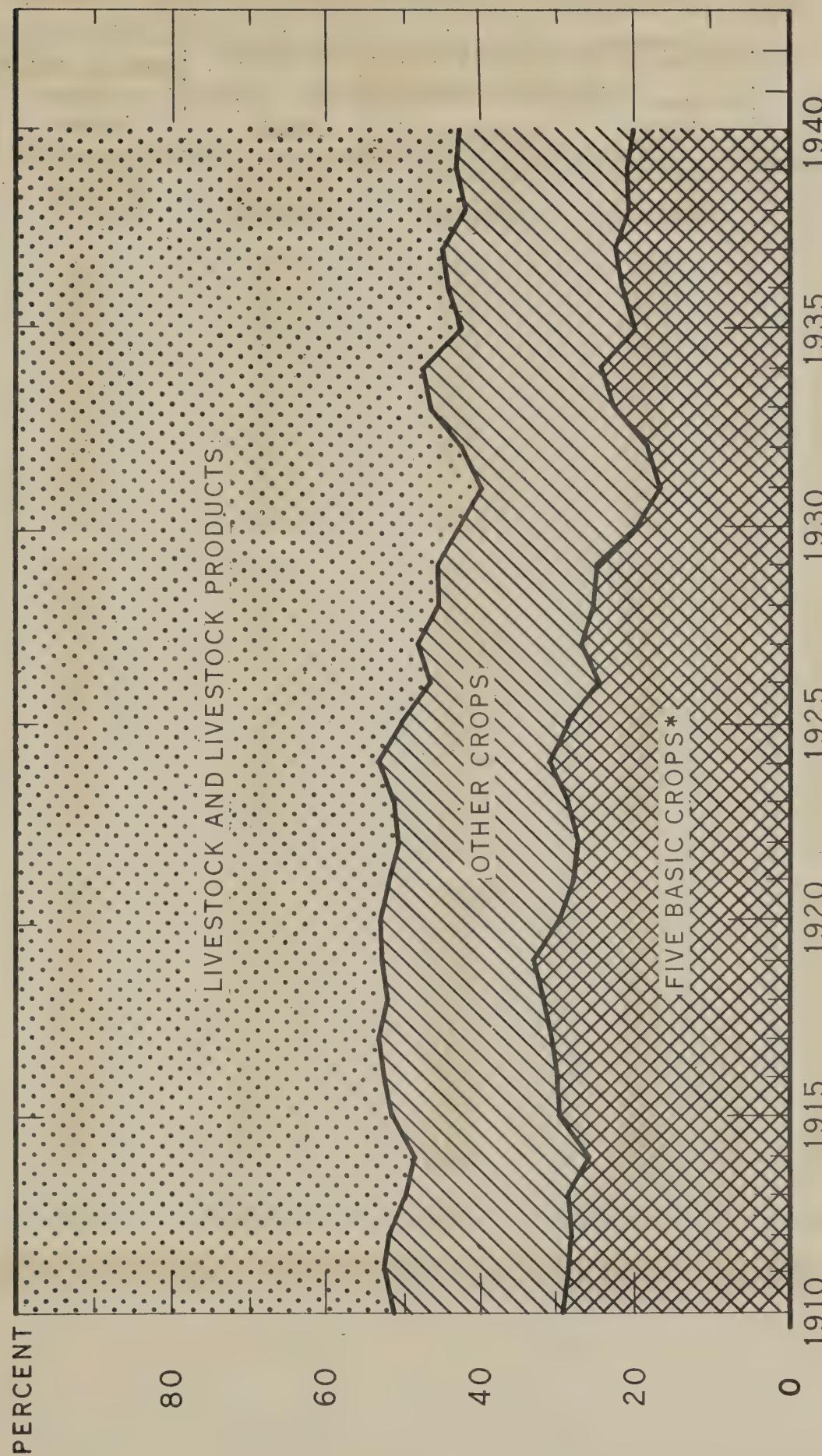
2/ Includes rye, buckwheat, oats, barley, grain sorghums, hay, forest products, greenhouse and nursery products, legume and grass seeds, hops, peppermint, popcorn and broomcorn.

Table 6.- Cash income from five basic crops, other crops and total livestock, United States, 1910-40

Year	Cash income from					Percentage of cash income from			
	Five basic crops	Other crops	Total crops	Total live-stock	Total market- ings	farm	Five basic crops	Other crops	Total live-stock
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent	Percent	Percent
1910	1,689	1,261	2,950	2,843	5,793	29.1	21.8	49.1	
1911	1,598	1,327	2,925	2,671	5,596	28.6	23.7	47.7	
1912	1,690	1,421	3,111	2,906	6,017	28.1	23.6	48.3	
1913	1,794	1,301	3,095	3,153	6,248	28.7	20.8	50.5	
1914	1,573	1,347	2,920	3,130	6,050	26.0	22.3	51.7	
1915	1,893	1,387	3,280	3,123	6,403	29.6	21.6	48.8	
1916	2,307	1,736	4,043	3,707	7,750	29.8	22.4	47.8	
1917	3,257	2,403	5,660	5,086	10,746	30.3	22.4	47.3	
1918	4,272	2,713	6,985	6,476	13,461	31.7	20.2	48.1	
1919	4,783	2,891	7,674	6,928	14,602	32.8	19.8	47.4	
1920	3,717	2,937	6,654	5,954	12,608	29.5	23.3	47.2	
1921	2,261	1,938	4,199	3,951	8,150	27.7	23.8	48.5	
1922	2,324	1,997	4,321	4,273	8,594	27.1	23.2	49.7	
1923	2,723	2,162	4,885	4,678	9,563	28.5	22.6	48.9	
1924	3,101	2,314	5,415	4,806	10,221	30.4	22.6	47.0	
1925	3,151	2,375	5,526	5,469	10,995	28.7	21.6	49.7	
1926	2,580	2,309	4,889	5,675	10,564	24.4	21.9	53.7	
1927	2,881	2,276	5,157	5,599	10,756	26.8	21.2	52.0	
1928	2,773	2,271	5,044	6,028	11,072	25.1	20.5	54.4	
1929	2,805	2,320	5,125	6,171	11,296	24.9	20.5	54.6	
1930	1,760	2,080	3,840	5,181	9,021	19.5	23.1	57.4	
1931	1,055	1,481	2,536	3,835	6,371	16.6	23.2	60.2	
1932	859	1,138	1,997	2,746	4,743	18.1	24.0	57.9	
1933	1,187	1,286	2,473	2,841	5,314	22.3	24.2	53.5	
1934	1,527	1,477	3,004	3,313	6,317	24.2	23.4	52.4	
1935	1,384	1,594	2,978	4,061	7,042	19.7	22.6	57.7	
1936	1,754	1,897	3,651	4,633	8,284	21.2	22.9	55.9	
1937	1,952	1,996	3,948	4,861	8,809	22.2	22.6	55.2	
1938	1,555	1,634	3,189	4,459	7,648	20.3	21.4	58.3	
1939	1,603	1,762	3,365	4,486	7,851	20.4	22.5	57.1	
1940	1,668	1,864	3,532	4,822	8,354	20.0	22.3	57.7	

Bureau of Agricultural Economics, United States Department of Agriculture.

CASH FARM INCOME FROM FIVE BASIC CROPS, FROM OTHER CROPS,
AND FROM LIVESTOCK, AS PERCENTAGE OF INCOME FROM
ALL FARM MARKETINGS, UNITED STATES, 1910-40



*COTTON, TOBACCO, WHEAT, CORN, AND RICE

Table 7.- Non-money income furnished by farms, 1910-40

Year	Value of products retained on farms for home consumption			Rental value of farm homes	Total
	Crops		Livestock		
	Million dollars	Million dollars	Million dollars		
1910	340	837	1,177	382	1,559
1911	362	730	1,092	393	1,485
1912	370	770	1,140	404	1,544
1913	338	815	1,153	420	1,573
1914	346	815	1,161	427	1,588
1915	337	794	1,131	434	1,565
1916	423	886	1,309	473	1,782
1917	617	1,244	1,861	540	2,401
1918	622	1,531	2,153	618	2,771
1919	727	1,668	2,395	713	3,108
1920	848	1,558	2,406	894	3,300
1921	506	1,062	1,568	760	2,328
1922	548	1,007	1,555	734	2,289
1923	581	1,042	1,623	781	2,404
1924	547	1,075	1,622	780	2,402
1925	590	1,191	1,781	791	2,572
1926	615	1,222	1,837	803	2,640
1927	552	1,143	1,695	800	2,495
1928	545	1,122	1,667	811	2,478
1929	565	1,134	1,699	829	2,528
1930	530	1,007	1,537	830	2,367
1931	442	811	1,253	754	2,007
1932	381	627	1,008	655	1,663
1933	416	607	1,023	587	1,610
1934	399	701	1,100	616	1,716
1935	444	893	1,337	616	1,953
1936	436	969	1,405	615	2,020
1937	471	981	1,452	648	2,100
1938	408	875	1,283	632	1,915
1939	425	806	1,231	636	1,867
1940	430	799	1,229	665	1,894

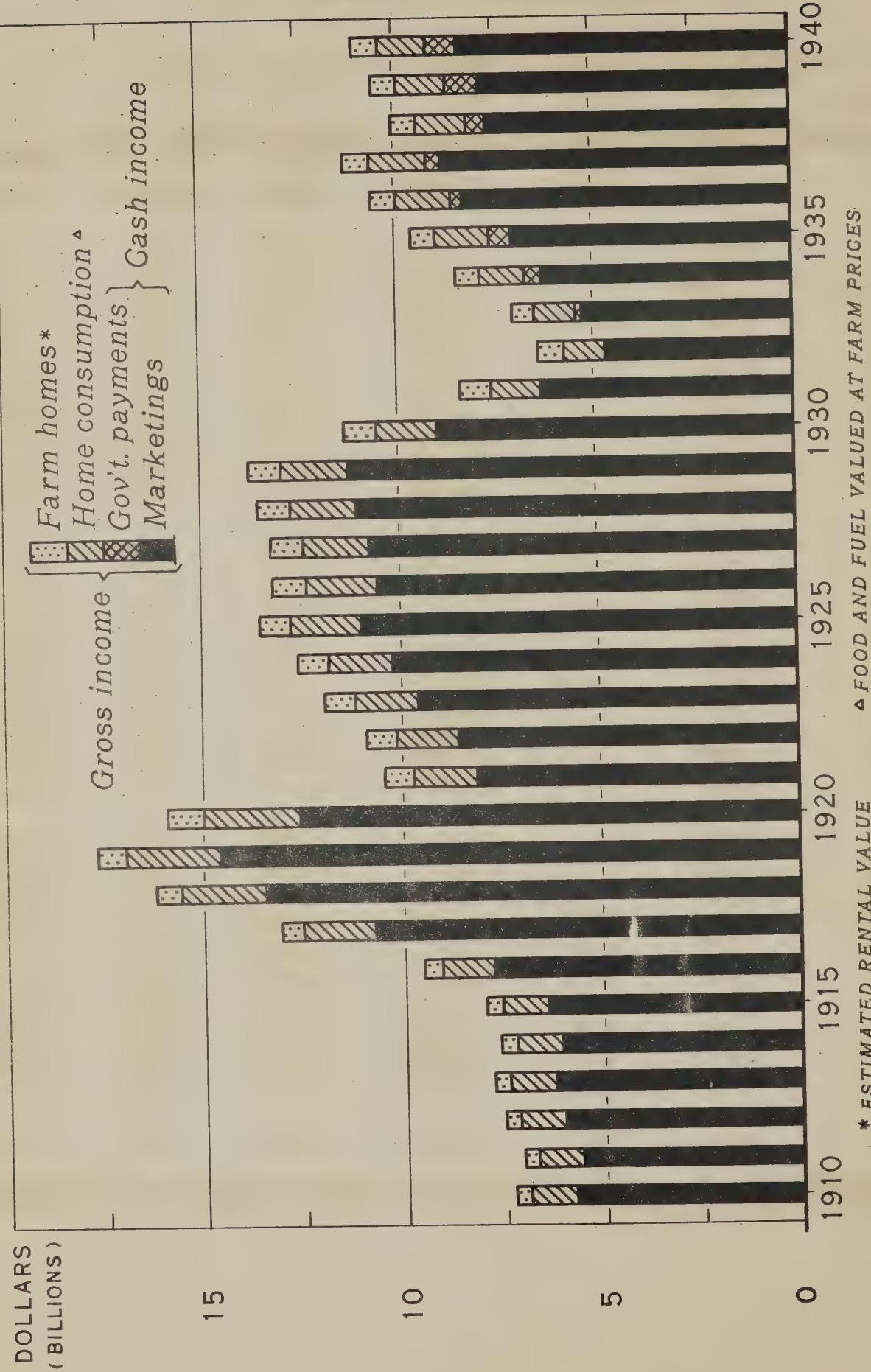
Bureau of Agricultural Economics, United States Department of Agriculture.

Table 8.- Gross farm income, 1910-40

Year	Cash income		Total cash income Million dollars	Value of		Gross income Million dollars
	from marketing	Government payments		home consumption	Rental value of: dwellings	
	Million dollars	Million dollars		Million dollars	Million dollars	
1910	5,793		5,793	1,177	382	7,352
1911	5,596		5,596	1,092	393	7,081
1912	6,017		6,017	1,140	404	7,561
1913	6,248		6,248	1,153	420	7,821
1914	6,050		6,050	1,161	427	7,638
1915	6,403		6,403	1,131	434	7,968
1916	7,750		7,750	1,309	473	9,532
1917	10,746		10,746	1,861	540	13,147
1918	13,461		13,461	2,153	618	16,232
1919	14,602		14,602	2,395	713	17,710
:						
1920	12,608		12,608	2,406	894	15,908
1921	8,150		8,150	1,568	760	10,478
1922	8,594		8,594	1,555	734	10,883
1923	9,563		9,563	1,623	781	11,967
1924	10,221		10,221	1,622	780	12,623
1925	10,995		10,995	1,781	791	13,567
1926	10,564		10,564	1,837	803	13,204
1927	10,756		10,756	1,695	800	13,251
1928	11,072		11,072	1,667	811	13,550
1929	11,296		11,296	1,699	829	13,824
:						
1930	9,021		9,021	1,537	830	11,388
1931	6,371		6,371	1,253	754	8,378
1932	4,743		4,743	1,008	655	6,406
1933	5,314	131	5,445	1,023	587	7,055
1934	6,317	446	6,763	1,100	616	8,479
1935	7,042	573	7,615	1,337	616	9,568
1936	8,284	287	8,571	1,405	615	10,591
1937	8,809	367	9,176	1,452	643	11,276
1938	7,648	482	8,130	1,283	632	10,045
1939	7,851	807	8,658	1,231	636	10,525
:						
1940	8,354	766	9,120	1,229	665	11,014
:						

Bureau of Agricultural Economics, United States Department of Agriculture.

GROSS AND CASH FARM INCOME, UNITED STATES, 1910-40

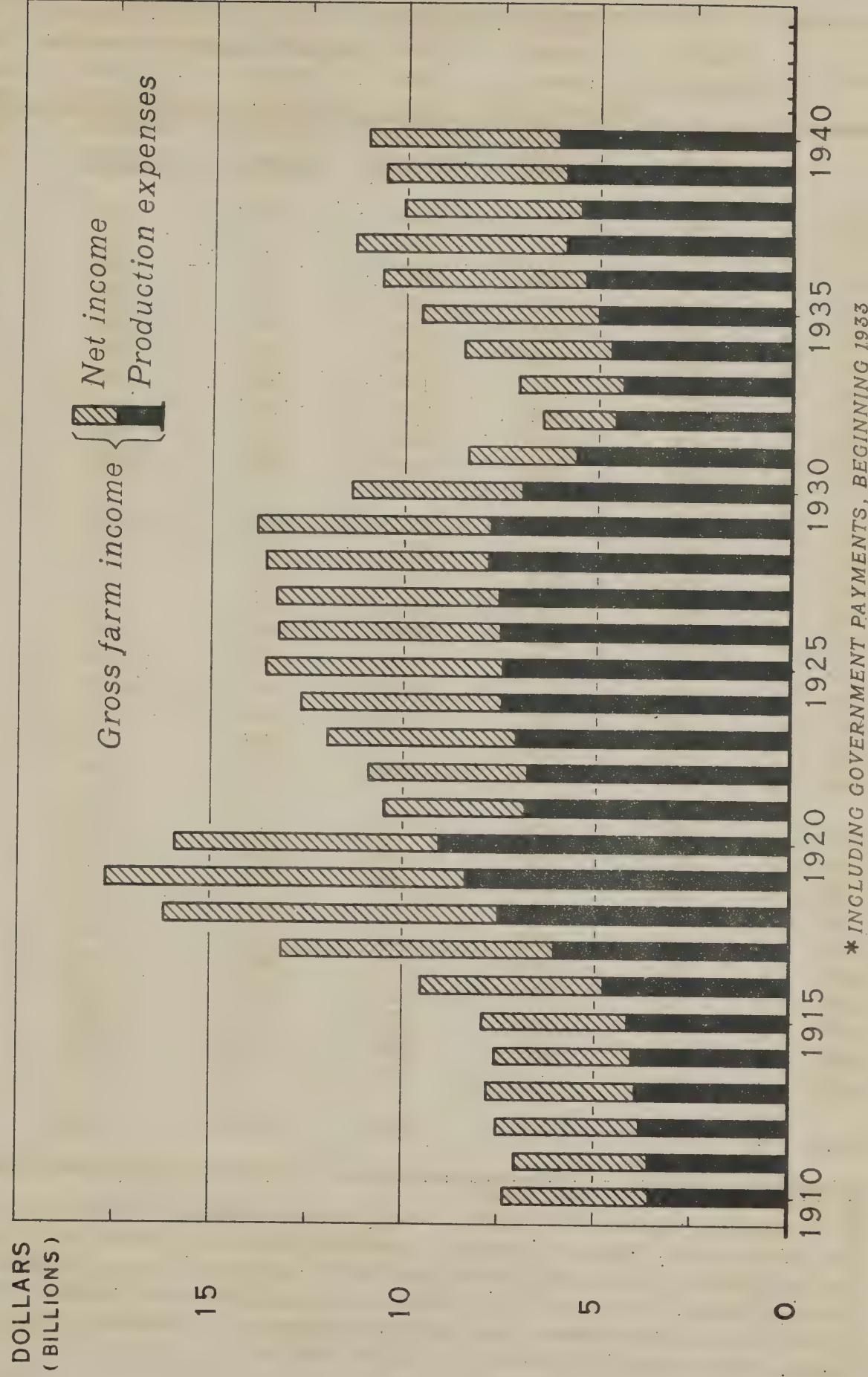


U. S. DEPARTMENT OF AGRICULTURE

NEG. 34549-A BUREAU OF AGRICULTURAL ECONOMICS

11

**GROSS FARM INCOME: NET INCOME AND PRODUCTION EXPENSES
OF FARM OPERATORS, UNITED STATES, 1910-40***



* INCLUDING GOVERNMENT PAYMENTS, BEGINNING 1933

Table 9.- Production expenses of farm operators, 1910-40

Year	Feed	Live- stock	Fertil- izer	Cost of operating	Miscellane- ous operat- ing ex- penses	Total
	purchased	pur- chased 1/	and lime	motor and vehicles	pences 2/	current operating expenses
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
	:	:	:	:	:	:
1910	426	197	149	7	489	1,268
1911	350	136	166	12	519	1,233
1912	419	215	161	20	548	1,363
1913	406	244	182	27	552	1,411
1914	414	213	208	35	572	1,442
1915	411	205	172	46	572	1,406
1916	517	259	179	74	642	1,671
1917	614	410	236	132	817	2,209
1918	1,106	513	317	190	968	3,094
1919	1,097	556	347	232	1,035	3,267
:						
1920	1,254	405	382	296	1,190	3,527
1921	710	186	221	254	941	2,312
1922	676	302	212	252	919	2,361
1923	819	280	230	271	944	2,544
1924	1,116	283	231	305	947	2,882
1925	988	342	250	377	979	2,936
1926	891	349	250	444	1,008	2,942
1927	892	420	230	443	946	2,931
1928	977	543	292	477	967	3,256
1929	919	461	293	509	949	3,131
:						
1930	772	312	288	496	893	2,761
1931	434	220	202	420	838	2,114
1932	333	164	125	384	692	1,698
1933	404	168	128	374	651	1,725
1934	508	152	169	406	693	1,928
1935	479	266	187	436	697	2,065
1936	662	226	218	456	723	2,285
1937	689	276	272	511	827	2,575
1938	480	277	253	504	774	2,288
1939	648	390	267	513	791	2,609
:						
1940	739	446	282	501	813	2,781
:						

1/ Excluding horses and mules.

2/ Including horses and mules, seed, insecticides, containers, electricity for production, twine, ginning, operating gas and steam engines, irrigation, grazing, fire, windstorm and hail insurance, crop insurance, miscellaneous dairy supplies, blacksmith and miscellaneous hardware supplies, miscellaneous greenhouse and nursery expenses, veterinary bill and medicines, short-term interest and sugar tolls.

Continued -

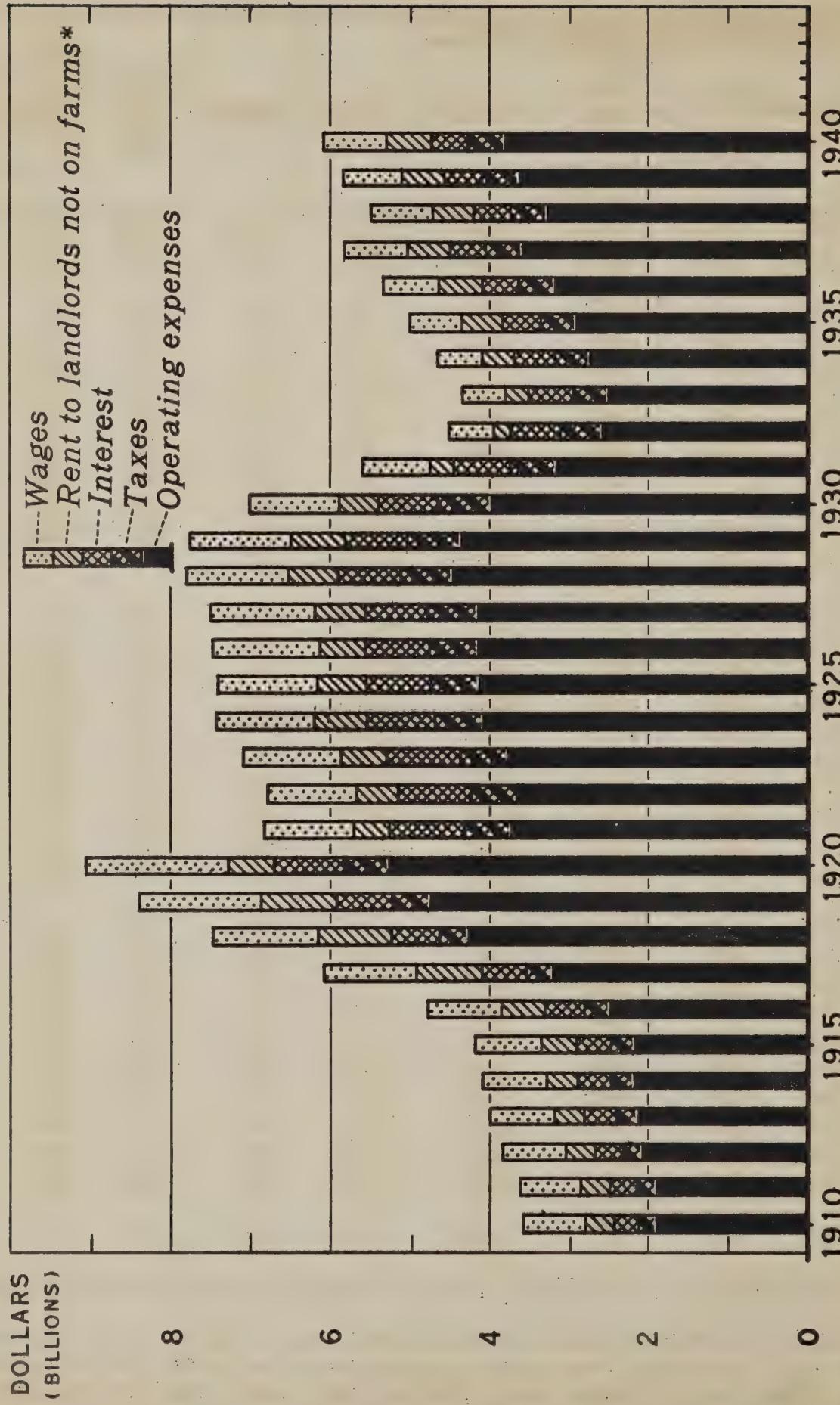
Table 9.- Production expenses of farm operators, 1910-40 -Continued

Year	Maintenance or depreciation				Hired labor				Taxes and interest			Rents and other expenses		
	Buildings	Motor vehicles	achinery	Total	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	
1910	318	13	353	684	757	191	315	360	3,575					
1911	323	20	358	701	760	211	341	374	3,620					
1912	329	26	371	726	792	221	372	389	3,863					
1913	344	28	369	741	807	252	409	379	3,999					
1914	343	39	375	757	805	256	431	400	4,091					
1915	361	57	368	786	815	279	452	451	4,189					
1916	415	77	368	860	904	298	491	581	4,805					
1917	512	99	395	1,006	1,127	533	553	854	6,082					
1918	624	125	457	1,206	1,335	355	613	917	7,520					
1919	731	196	578	1,505	1,515	446	709	958	8,400					
1920	907	256	606	1,769	1,780	547	876	580	9,079					
1921	638	229	559	1,426	1,159	576	933	448	6,854					
1922	600	206	485	1,291	1,122	574	927	522	6,797					
1923	636	198	408	1,242	1,219	581	913	589	7,088					
1924	623	210	399	1,232	1,224	574	870	667	7,449					
1925	615	211	391	1,217	1,243	580	823	616	7,415					
1926	607	233	383	1,223	1,326	590	806	588	7,475					
1927	599	250	378	1,227	1,280	611	790	662	7,501					
1928	597	259	378	1,234	1,268	626	785	645	7,814					
1929	601	291	381	1,273	1,284	641	779	640	7,748					
1930	569	293	369	1,231	1,134	638	753	480	6,997					
1931	481	240	326	1,047	847	580	712	298	5,598					
1932	405	203	282	890	584	503	656	212	4,543					
1933	393	175	237	805	517	433	577	302	4,359					
1934	432	182	214	828	558	420	529	400	4,663					
1935	428	215	225	868	639	431	486	521	5,010					
1936	433	254	240	927	690	438	458	546	5,344					
1937	462	288	260	1,010	794	452	446	564	5,841					
1938	436	286	283	1,005	758	450	451	527	5,479					
1939	437	307	294	1,038	738	460	465	558	5,868					
1940	441	314	301	1,056	751	460	463	566	6,077					

Bureau of Agricultural Economics. United States Department of Agriculture.

3/ Interest on mortgages and on short-term loans held by banks and Federal agencies. 4/ Including Government payments to landlords not on farms, as follows: 1933, \$18,133,000; 1934, \$48,487,000; 1935, \$75,036,000; 1936, \$36,435,000; 1937, \$52,905,000; 1938, \$68,544,000; 1939, \$100,531,000; 1940 (estimated), \$94,000,000.

PRODUCTION EXPENSES OF FARM OPERATORS, UNITED STATES, 1910-40



* INCLUDING GOVERNMENT PAYMENTS, BEGINNING 1933

U. S. DEPARTMENT OF AGRICULTURE

NEG. 39406 BUREAU OF AGRICULTURAL ECONOMICS

Table 10.- Net cash available to persons on farms after farm expenditures, 1910-40

Year	Expenditures					Cash available to persons on farms after farm expenditures					Net cash available to persons on farms after farm expenditures
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	
1910	5,793	1,380	846	203	191	171	360	3,151	2,642		
1911	5,596	1,349	844	225	211	173	374	3,176	2,420		
1912	6,017	1,483	921	252	221	183	389	3,449	2,568		
1913	6,248	1,544	911	276	252	190	379	3,552	2,696		
1914	6,050	1,577	904	296	256	190	400	3,623	2,427		
1915	6,403	1,544	919	314	279	195	451	3,702	2,701		
1916	7,750	1,821	1,070	341	298	221	581	4,332	3,418		
1917	10,746	2,384	1,368	378	333	271	854	5,588	5,158		
1918	13,461	3,290	1,465	417	355	323	917	6,767	6,694		
1919	14,602	3,500	1,915	476	446	365	958	7,660	6,942		
1920	12,608	3,829	1,927	574	547	456	580	7,913	4,695		
1921	8,150	2,592	812	653	576	293	448	5,374	2,776		
1922	8,594	2,608	942	680	574	289	522	5,615	2,979		
1923	9,563	2,778	1,218	679	581	317	589	6,162	3,401		
1924	10,221	3,105	1,123	647	574	320	667	6,436	3,785		
1925	10,995	3,147	1,231	612	580	327	616	6,513	4,482		
1926	10,564	3,150	1,250	598	590	367	588	6,543	4,021		
1927	10,756	3,128	1,297	593	611	349	662	6,640	4,116		
1928	11,072	3,451	1,321	590	626	348	645	6,981	4,091		
1929	11,296	3,328	1,414	582	641	355	640	6,960	4,336		
1930	9,021	2,942	1,044	572	638	302	480	5,978	3,043		
1931	6,371	2,267	600	559	580	214	298	4,518	1,853		
1932	4,743	1,820	300	534	503	139	212	3,508	1,235		
1933	5,445	1,819	377	483	433	119	302	3,533	1,912		
1934	6,763	2,011	570	446	420	125	400	3,972	2,791		
1935	7,615	2,140	872	411	431	150	521	4,525	3,090		
1936	8,571	2,358	1,037	385	438	164	546	4,928	3,643		
1937	9,176	2,651	1,230	370	452	197	564	5,464	3,712		
1938	8,130	2,382	1,038	357	450	191	527	4,945	3,185		
1939	8,658	2,723	1,088	351	460	185	558	5,365	3,293		
1940	9,120	2,898	1,222	346	460	188	566	5,680	3,440		

Bureau of Agricultural Economics, United States Department of Agriculture.

1/ Including Government payments to landlords not on farms.

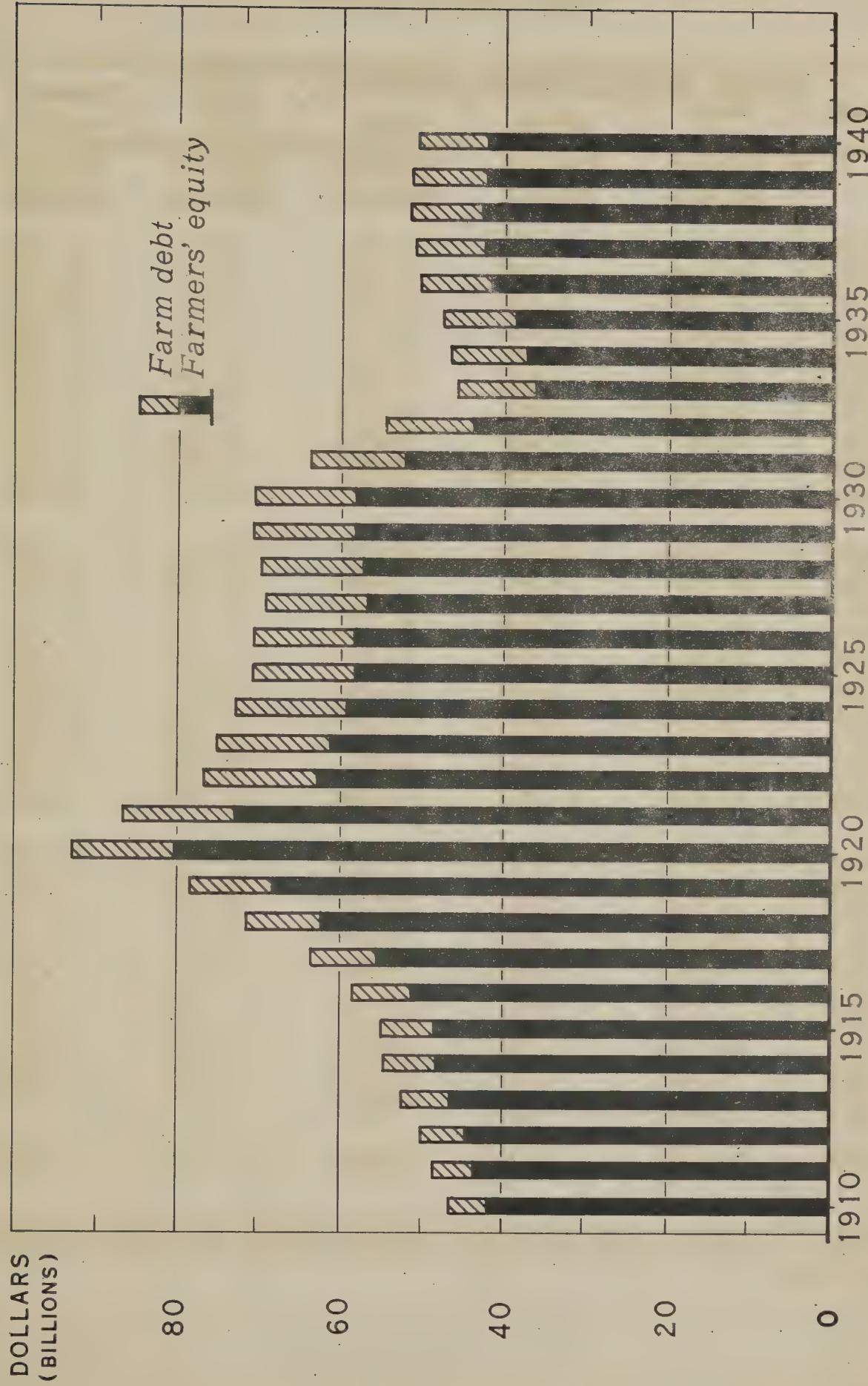
Table 11.- Net income to persons on farms, by sources, 1910-40

Year	Net income to persons on farms						Value of changes in inventories and stock on farms	
	Net cash available to persons on farms after farm expenses	Rental value of homes of farm families	Value of farm consumption	Perquisites to farm laborers not on farms	Net investment in farm buildings and machinery	Expenditure for farm equipment and materials	Value of live-changes in inventories and stock	Value of live-changes in inventories and stock
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1910	2,642	382	1,177	- 40	+ 162	4,323	+ 151	4,474
1911	2,420	393	1,092	- 40	+ 143	4,008	- 67	3,941
1912	2,568	404	1,140	- 41	+ 195	4,266	+ 96	4,362
1913	2,696	420	1,153	- 42	+ 170	4,397	+ 26	4,423
1914	2,427	427	1,161	- 43	+ 147	4,119	+ 426	4,545
1915	2,701	434	1,131	- 43	+ 133	4,356	+ 73	4,429
1916	3,418	473	1,309	- 49	+ 210	5,361	- 266	5,095
1917	5,158	540	1,861	- 59	+ 362	7,862	+ 521	8,383
1918	6,694	618	2,153	- 65	+ 259	9,659	+ 39	9,698
1919	6,942	713	2,395	- 72	+ 410	10,388	- 450	9,938
1920	4,695	894	2,406	- 82	+ 158	8,071	+ 348	8,419
1921	2,776	760	1,568	- 61	- 614	4,429	- 613	3,816
1922	2,979	734	1,555	- 58	- 349	4,861	+ 18	4,879
1923	3,401	781	1,623	- 61	- 24	5,720	- 75	5,645
1924	3,785	780	1,622	- 60	- 109	6,018	- 412	5,606
1925	4,482	791	1,781	- 60	+ 14	7,008	- 93	6,915
1926	4,021	803	1,837	- 66	+ 27	6,622	+ 25	6,647
1927	4,116	800	1,695	- 64	+ 70	6,617	- 259	6,358
1928	4,091	811	1,667	- 64	+ 87	6,592	+ 136	6,728
1929	4,336	829	1,699	- 66	+ 141	6,939	- 166	6,773
1930	3,043	830	1,537	- 58	- 187	5,165	+ 12	5,177
1931	1,853	754	1,253	- 45	- 447	3,368	+ 150	3,518
1932	1,235	655	1,008	- 32	- 590	2,276	+ 39	2,315
1933	1,912	587	1,023	- 28	- 428	3,066	- 56	3,010
1934	2,791	616	1,100	- 29	- 258	4,220	- 664	3,556
1935	3,090	616	1,337	- 33	+ 4	5,014	+ 63	5,077
1936	3,643	615	1,405	- 36	+ 110	5,737	- 297	5,440
1937	3,712	648	1,452	- 40	+ 220	5,992	+ 230	6,222
1938	3,185	632	1,283	- 39	+ 33	5,094	+ 4	5,098
1939	3,293	636	1,231	- 38	+ 50	5,172	+ 200	5,372
1940	3,440	665	1,229	- 38	+ 166	5,462	+ 38	5,500

Bureau of Agricultural Economics. United States Department of Agriculture.

1/ Farm laborers not living on farms receive, as part of their compensation, board, lodging and other perquisites. The value of such perquisites must be deducted from the food, housing and cash contributed by the farm in order to estimate net income to persons on farms. 2/ Excess of purchases over depreciation (plus) or excess of depreciation over purchases (minus). 3/ Sum of columns 1-5.

VALUE OF FARM PROPERTY, JANUARY 1, UNITED STATES, 1910-40



FARM DEBT DATA FOR 1940 ARE PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE

HEG. 39407

BUREAU OF AGRICULTURAL ECONOMICS

Table 12.- Value of farm property, and farm debt,
United States, 1910-40

Year	Value of farm property			January 1	Total	Farmers'
	Real estate	Other	Total	farm debt	equity	
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	
1910	34,801	7,160	41,961	4,444	37,517	
1911	36,050	7,519	43,569	4,816	38,753	
1912	37,306	7,331	44,637	5,331	39,306	
1913	38,463	8,015	46,478	5,890	40,588	
1914	39,586	8,589	48,175	6,321	41,854	
1915	39,597	8,872	48,469	6,677	41,792	
1916	42,271	9,103	51,374	7,132	44,242	
1917	45,495	10,047	55,542	8,062	47,480	
1918	49,987	12,676	62,663	9,057	53,606	
1919	54,539	13,966	68,505	10,107	58,398	
1920	66,316	14,011	80,327	12,321	68,006	
1921	61,476	11,585	73,061	13,634	59,427	
1922	54,017	9,035	63,052	13,751	49,301	
1923	52,710	8,672	61,382	13,729	47,653	
1924	50,468	8,857	59,325	13,506	45,819	
1925	49,468	8,841	58,309	12,677	45,632	
1926	49,052	9,296	58,348	12,440	45,908	
1927	47,634	9,338	56,972	12,269	44,703	
1928	47,495	9,912	57,407	12,363	45,044	
1929	47,880	10,588	58,468	12,363	46,105	
1930	47,880	10,498	58,378	12,019	46,359	
1931	43,993	8,382	52,375	11,500	40,875	
1932	37,236	6,647	43,883	10,842	33,041	
1933	30,724	5,553	36,277	9,963	26,314	
1934	31,933	5,684	37,617	9,154	28,463	
1935	32,859	5,946	38,805	8,935	29,870	
1936	33,838	7,882	41,720	8,771	32,949	
1937	34,620	8,080	42,700	8,628	34,072	
1938	34,556	8,475	43,031	8,741	34,290	
1939	33,821	8,593	42,414	9,025	33,389	
1940	33,644	8,774	42,418	8,926	33,492	

Bureau of Agricultural Economics, United States Department of Agriculture.

UNITED STATES DEPARTMENT OF AGRICULTURE

Bureau of Agricultural Economics

INDEX NUMBERS OF PRICES PAID AND PRICES RECEIVED

Table 1. Prices paid for commodities, interest, taxes and farm wage rates, 1910-40

Table 2. Indices of cost of production and living, 1910-40

Table 3. Volume of production, income and prices, 1910-40

Washington, D. C.
July, 1941

Table 1.- Prices paid for commodities, interest, taxes and
farm wage rates, 1910-40

Index numbers - I
(1910-14 = 100)

Year	Prices	Interest	Taxes	Farm	Prices	Prices
	paid for all commodities	payable per acre	payable per acre	wage rates	paid for commodities, interest, and taxes, combined	paid for wages, combined
	(1)	(2)	(3)	(4)	(5)	(6)
1910	98	83	90	97	97	98
1911	97	91	91	98	97	96
1912	101	101	99	101	101	100
1913	102	109	103	103	102	103
1914	102	116	117	101	103	103
1915	106	123	118	103	107	106
1916	118	132	128	113	120	118
1917	153	145	136	141	152	150
1918	180	159	151	177	178	177
1919	201	180	160	207	199	198
1920	216	215	200	242	215	216
1921	152	247	244	155	160	159
1922	143	259	259	151	154	152
1923	149	259	261	169	159	159
1924	148	249	266	173	158	157
1925	153	237	265	176	162	161
1926	152	229	270	179	160	161
1927	148	224	271	179	157	157
1928	153	220	277	179	162	161
1929	151	214	279	180	159	160
1930	141	208	281	167	151	150
1931	118	200	277	130	128	127
1932	102	189	253	96	112	111
1933	102	168	219	85	110	107
1934	116	153	187	95	121	117
1935	119	140	178	103	123	121
1936	119	131	180	111	122	121
1937	127	125	182	126	128	128
1938	119	121	187	125	122	121
1939	118	119	186	123	121	120
1940	119	117	190	126	122	121

Table 1.- Prices paid for commodities, interest, taxes and farm wage rates, 1910-40 - Continued

- (1) The index of prices paid for commodities is constructed from 202 price series representing commodities used in living and in production. The price series are combined by the use of estimates of actual expenditures for production and living in the period 1935-39. Separate index numbers are constructed for items used in living and items used in production, and they are combined by giving the former a weight of 52 and the latter a weight of 48, which is approximately the division of expenditures in this period.
- (2) The index of interest payable per acre is constructed by estimating interest charges on farm mortgages and dividing the total annual estimates of charges by the estimated number of acres in farms.
- (3) The index of taxes payable per acre is constructed by estimating annually the total taxes payable on farm real estate, and dividing by the number of acres in farms.
- (4) The index of farm wage rates is constructed from data obtained quarterly as to the farm wage rates per month, with and without board, and per day with and without board. The wage rate series are combined in accordance with estimates of the number of persons employed under the corresponding methods of employment.
- (5) The index numbers in columns (1), (2) and (3) are combined, weighting prices paid for commodities by 89, interest payable per acre by 5, and taxes paid per acre by 6. This provides a parity index corresponding to the index used for farm products on a pre-war base.
- (6) The wage rate index is added to the parity index, column (5), with the following weights:

Prices paid for commodities	83
Interest payable per acre	5
Taxes " " "	5
Farm wage rates	<u>7</u>
	100

Table 2.- Indices of cost of production and living, 1910-40

Index numbers - II

(1910-14 = 100)

Year	Prices paid :		Prices of commodities retained on farms for home consumption	Cost of living on farms	
	for commodities used in production, interest, taxes and wages	for commodities used in production, interest, taxes and wages			
	(1)	(2)	(3)	(4)	(5)
1910	98	96	99	100	99
1911	97	96	98	95	97
1912	102	102	99	102	100
1913	101	102	102	100	102
1914	102	104	102	103	102
1915	106	109	104	96	101
1916	119	121	114	117	115
1917	161	157	141	173	151
1918	184	180	172	187	177
1919	196	196	201	208	203
1920	193	202	231	220	228
1921	134	153	166	143	159
1922	131	152	152	135	147
1923	139	160	155	138	150
1924	139	160	154	137	149
1925	142	163	160	156	158
1926	141	162	158	161	159
1927	140	160	153	147	151
1928	146	165	155	149	153
1929	145	164	153	151	152
1930	134	154	143	134	141
1931	113	133	120	101	114
1932	99	116	102	74	93
1933	98	110	105	73	94
1934	111	117	117	86	107
1935	115	121	120	109	116
1936	115	121	119	115	117
1937	125	130	125	119	123
1938	116	123	119	100	113
1939	116	122	118	95	110
1940	119	125	118	100	113

Table 2.- Indices of cost of production and living, 1910-40 - Continued

(1) The index of prices paid for commodities used in production is constructed from 113 price series. The groups of commodities and weights follow:

Feed	23 : Fertilizer	9
Farm machinery	9 : Service building materials	10
Motor vehicles	11 : Equipment and supplies ...	8
Motor, fuel, oil and tires	14 : Seed	4
Livestock	12 :	<u>100</u>

The price series representing motor vehicles, motor fuel and tires are included back to 1924, and are out in the earlier years.

(2) Combining column (1) with columns (2), (3) and (4), table 1, the weights are:

Commodities	71 : Taxes	9
Interest	8 : Wages	12
		<u>100</u>

(3) Prices paid for commodities used in living combine 69 commodities priced in the 1935-39 period. The groups of items with weights follow:

Food	40 : Building materials for	
Clothing	23 : house	5
Operating expenses	10 : Automobiles, gas, oil	
Furniture and furnishings	7 : and tires	15
		<u>100</u>

The cost of purchasing and operating automobiles is divided, 60 percent for living and 40 percent for production. Prices of automobiles, gas, oil and tires are represented in the index back to 1924 and are out in the earlier years.

(4) Prices of farm commodities consumed in living on farms where produced are valued at prices at which the same products are sold from the farm. The values or prices are combined on the basis of the value of consumption per farm in the period 1935-39. The weights are as follows:

Dairy products	33 : Grains	3
Poultry and eggs	12 : Fruits and vegetables	23
Meat animals	19 :	<u>100</u>

(5) Cost of living on farms combines prices paid for items purchased, column (3), with value of items produced on the farm (column 4). The weights are:

Items purchased	71
Items produced	29
	<u>100</u>

Table 3.- Volume of production, income and prices, 1910-40

Index numbers - III

(1910-14 = 100)

Year	Volume of	Cash	Prices	Ratio of	Ratio of
	agricultural production	income	received	prices received to prices received	prices paid, including interest, taxes and wages
	for sale and for home consumption	from marketings	for farm products	prices paid	
	(1)	(2)	(3)	(4)	(5)
1910	95.5	98	101	103	103
1911	99.8	94	96	99	100
1912	102.6	101	101	100	101
1913	98.3	105	101	99	98
1914	103.6	102	101	99	98
1915	103.8	108	99	93	93
1916	99.5	130	120	102	102
1917	102.5	181	178	116	119
1918	108.4	227	202	112	114
1919	109.1	246	213	106	108
1920	110.5	212	214	99	99
1921	100.5	137	127	84	80
1922	109.6	145	133	93	88
1923	113.6	161	141	95	89
1924	117.4	172	141	95	90
1925	116.9	185	154	101	96
1926	120.5	178	145	95	90
1927	117.3	181	141	95	90
1928	122.6	186	150	98	93
1929	118.7	190	148	98	92
1930	117.8	152	127	90	85
1931	122.7	107	89	75	70
1932	116.2	80	68	67	61
1933	115.5	89	72	71	67
1934	111.5	106	90	78	77
1935	109.6	119	107	90	88
1936	107.7	139	113	95	93
1937	126.5	148	119	94	93
1938	121.8	129	97	82	80
1939	126.8	132	95	81	79
1940	129.9	141	100	84	83

Table 3.- Volume of production, income and prices, 1910-40 -Continued

- (1) The index of production is based upon the annual estimates of sales and home consumption, weighted by average prices for the years 1935-39.
- (2) Cash income from marketings is receipts from the marketings of farm products converted to a relative with 1910-14 as a base.
- (3) The prices-received index is constructed from prices of 67 farm commodities. These prices are combined on the basis of the contribution of each to cash farm income. The group weights are as follows:

Grains	11
Cotton and cottonseed	10
Fruits	6
Vegetable and truck crops	8
Dairy products	18
Poultry and eggs	11
Meat animals	28
Miscellaneous	8
	100

- (4) The figures in this column represent the prices-received index, column (3), divided by the prices-paid index, column (1), table 1. These ratios represent the relation between per unit returns for farm products sold as against the per unit prices paid for commodities purchased.
- (5) The figures in this column represent column (3) divided by column (6), table 1. These ratios represent the relation between per unit prices received for products sold as against per unit prices paid for commodities purchased plus interest, taxes, and wages. This is the parity price ratio.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

LIST OF COMMODITIES INCLUDED
IN PRICE INDEXES

Washington, D. C.
July 1941

Farm products included in new index of prices received
by farmers, 1935-39

Grains (6)

Wheat *
Corn *
Oats *
Barley *
Rye *
Rice *

Cotton and cottonseed (2)

Cotton *
Cottonseed *

Fruits (14)

Apples *
Oranges *
Lemons *
Grapefruit *
Pears *
Peaches
Apricots
Cranberries
Cherries +
Strawberries +
Prunes +
Grapes +
Pecans +
Walnuts +

Vegetables and truck crops (24)

Potatoes *
Sweetpotatoes *
Beans, dry edible *
Truck crops for market
Beans, snap *
Cabbage *
Carrots *
Cauliflower +
Celery *
Onions *
Lettuce *
Peas, green *
Peppers, green +

Truck crops for market (Contd.)

Spinach *
Tomatoes *
Asparagus *
Cantaloups *
Watermelons *

Truck crops for processing

Asparagus +
Beans, snap +
Cabbage for kraut +
Corn, sweet +
Cucumbers for pickles +
Peas, green +
Tomatoes +

Dairy products (4)

Milk, wholesale *
Milk, retail *
Butter *
Butterfat *

Poultry and eggs (3)

Chickens *
Eggs *
Turkeys +

Meat animals (5)

Cattle *
Calves *
Sheep *
Lambs *
Hogs *

Miscellaneous (9)

Tobacco *
Peanuts *
Wool *
Flaxseed *
Hay *
Horses *
Mules *
Soybeans +
Sugar beets

Total (67 items)

Bureau of Agricultural Economics, United States Department of Agriculture.

* Asterisk represents farm product included in both old and new indexes.

+ Dagger represents new item included in index but not carried back to 1910-14. No mark after a commodity indicates new item included in index and carried back to 1910-14 period.

Cucumbers for market were included in the old index but not in the new.

Commodities included in the new index of prices
paid for commodities, 1935-39

Commodities used in living

Food (21)

Apples *
Bacon, sliced *
Bananas *
Beef, round steak *
Bread, white *
Butter *
Cheese *
Coffee *
Cornmeal *
Flour *
Lard *
Lemons *
Oats, rolled *
Oranges *
Pork, loin *
Raisins *
Rice *
Salt *
Sugar *
Tea *
Vinegar *

Clothing (18)

Men's clothing
Gloves, cotton *
Hat, felt *
Overalls *
Rubber boots, knee *
Shirt, cotton, work *
Shoes, work *
Socks, cotton, work *
Suit, wool *
Trousers, wool *
Union suit, winter *
Union suit, athletic *

Women's clothing

Bloomers, knit, rayon *
Coat, cloth
Dress, house *
Hose, silk *
Shoes *
Percale *
Muslin *

Household supplies (9)

Broom *
Coal, hard *
Coal, soft *
Wood *
Gasoline *
Kerosene *

Household supplies (Contd.)

Soap, laundry *
Soap, toilet *
Starch, laundry *

Furniture and furnishings (22)

Bedspring *
Bedstead *
Blanket *
Chair, dining *
Comforter *
Dinner plate *
Dresser *
Fruit jar *
Kitchen cabinet *
Linoleum *
Living room suite *
Mattress *
Rug *
Sewing machine *
Sheet *
Stove, kitchen range *
Stove, kerosene
Table, dining *
Toweling *
Wash boiler *
Washing machine *
Wrinker *

Automobile, gas, oil and tires (4)

Automobile *
Gasoline *
Oil *
Tire *

Building materials for house (15)

2x6x16 *
2x4x16 *
Rough boards *
Flooring *
Shiplap *
Bevel siding *
Door *
Lath *
Shingles *
Window *
Brick, common *
Cement *
Nails *
Paint *
Screening *

Total (89 items for living)

Commodities included in the new index of prices paid
for commodities, 1935-39

Commodities used in production

Feed (12)

Bran *
Corn *
Corn gluten *
Cornmeal *
Cottonseed meal *
Commercial mixed feed *
Hay, alfalfa *
Linseed meal *
Middlings *
Oats *
Salt Stock *
Tankage *

Farm machinery (30)

Binder, corn
Binder, grain *
Combine ~~+~~
Cultivator, 1 horse walking *
Cultivator, 1 row riding *
Cultivator, 2 row
Drill, grain *
Engine, gas *
Ensilage cutter *
Feed grinder *
Hammer mill ~~+~~
Harrow, disk *
Harrow, spike tooth *
Harrow, spring tooth
Hay loader
Manure spreader *
Mower *
Planter, corn or cotton, 1 row
Planter, corn or cotton, 2 row *
Plow, 1 horse walking *
Plow, 2 horse walking *
Plow, tractor 2 bottom *
Potato digger *
Rake, side delivery
Rake, sulky, self-dump *
Separator, cream *
Thresher, grain *
Truck, farm, steel wheel
Wagon *
Wagon box

Motor vehicles (3)

Automobiles *

Trucks *

Tractors *

Motor fuel, oil and tires (5)

Gasoline for autos and trucks *
Gasoline for tractors
Kerosene *
Motor oil *
Tires *

Livestock (5)

Cattle and calves
Hogs
Horses
Mules
Lambs

Fertilizer (13)

Mixed fertilizer	3-8-3 *
"	4-8-7 *
"	2-12-2 *
"	2-12-6 +
"	4-8-4 +
"	3-8-5 +
"	5-8-7 +
"	3-8-6 +

Acid phosphate *
Nitrate of soda *
Sulphate of ammonia *
Muriate of potash *
Ground limestone *

Service building materials (20)

2x6x16 *
2x4x16 *
Rough boards *
Shiplap *
Siding, drop *
Brick, common *
Cement *
Nails *
Paint *
Roofing, composition *
Roofing, steel galvanized *
Fence posts, steel *
Fence posts, wooden *
Gates, galvanized iron *

Commodities included in the new index of prices paid
for commodities, 1935-39 - Continued

Service building materials (Contd.)

Pumps, iron *
Poultry netting *
Windmills *
Shingles *
Window, barn *
Barbed wire, galvanized *

Equipment and supplies (14)

Axe
Binder twine *
Bushel basket *
Halter, leather
Hoe *
Horse blanket *
Horse collar *
Lead arsenate *
Milk can *
Milk pail *
Machine oil *
Pipe, galvanized iron *
Pitch fork *
Rope, Manila *

Seed (10)

Alfalfa seed *
Blue grass seed *
Cottonseed *
Cowpeas
Red clover seed *

Seed (Contd.)

Sweet clover seed *
Seed potatoes *
Seed wheat
Soybeans
Timothy seed *
Total (112 items for production)

Grand total (201 items for living
and production)

Bureau of Agricultural Economics, United States Department of Agriculture.

* Asterisk represents commodity included in both old and new indexes.

† Dagger represents new item included in index but not carried back to
1910-14. No mark after a commodity indicates new item included in index
and carried back to 1910-14 period.

Included in old index but not in the new:

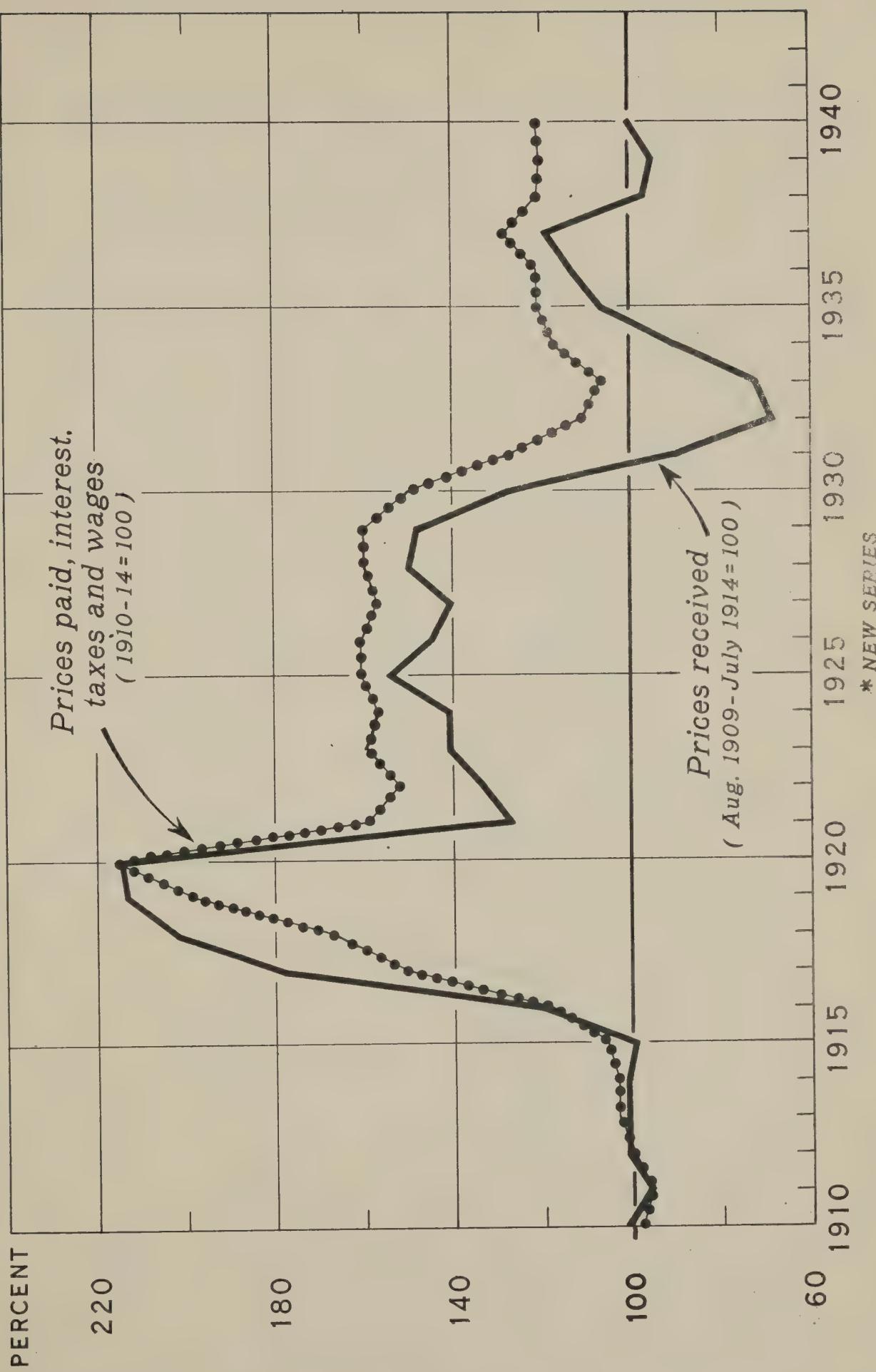
Food -- soda
Farm machinery -- corn sheller and incubator
Fertilizer -- cottonseed meal

FREQUENCY OF REPORTS OF PRICES PAID BY FARMERS FOR COMMODITIES

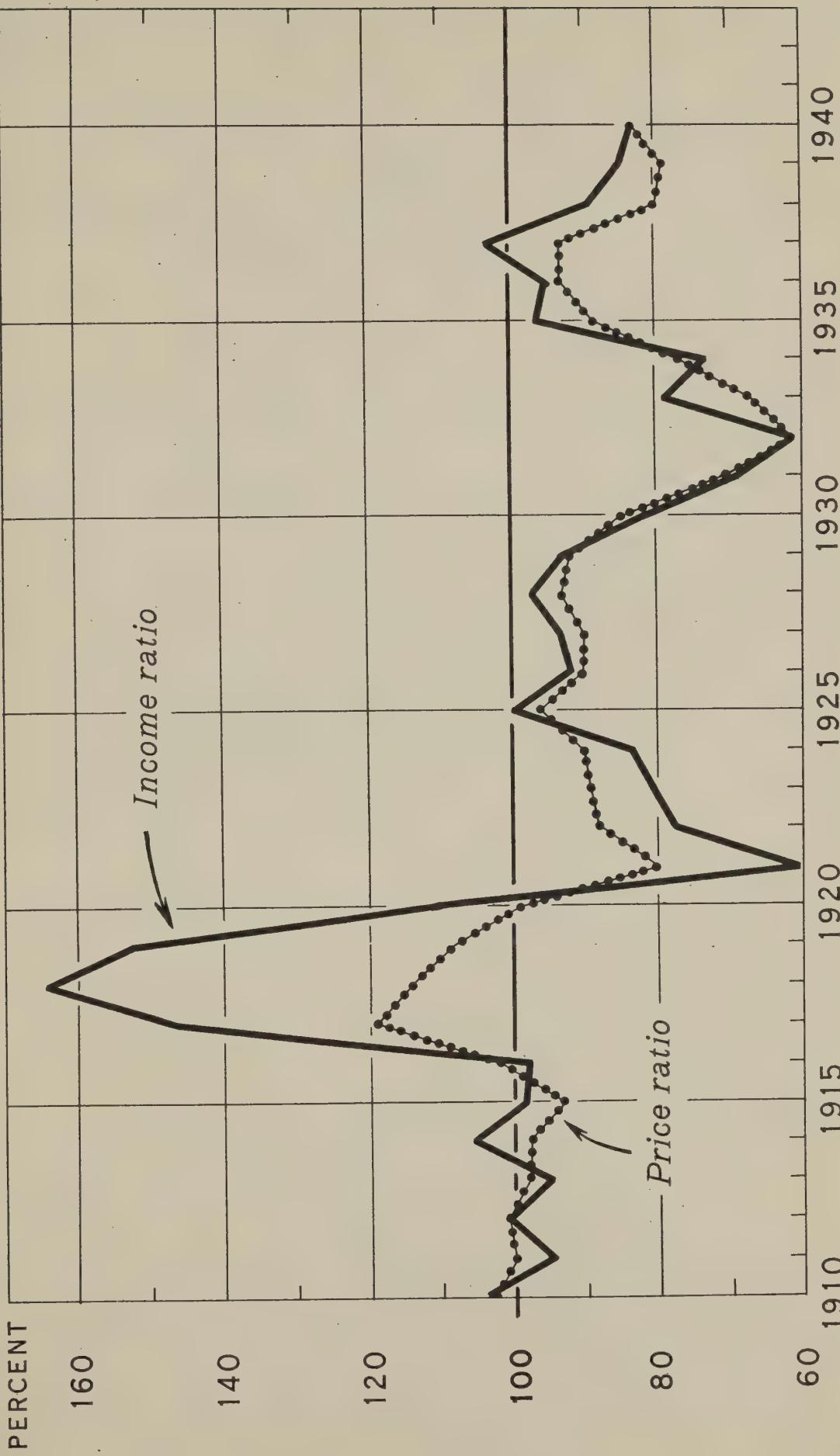
Currently most commodities included in the new index of prices paid for living items are reported quarterly to the United States Department of Agriculture by local merchants. These reports are made for the 15th of March, June, September, and December. Exceptions to the quarterly reporting are those commodities which are purchased only at certain times or in general have very stable prices. For example, lemons are priced only in June and September of each year, felt hats and winter union suits in December, fuel in September and December, blankets in December, fruit jars in June and September, and screening in June.

Approximately the same situation exists for commodities included in the new index of prices-paid-for-production items. Prices paid for feeds are obtained monthly. Prices for building materials, motor vehicles, motor fuel oil, and tires, and livestock are obtained quarterly. Prices of fertilizer and seed are obtained in March and September. For farm machinery, and equipment and supplies prices of many items are obtained once or twice a year when most of these items are purchased by farmers. For example, prices of plows are obtained in March and September, hay-loaders, grain binders, combines, mowers in June, ensilage cutters and corn binders in September, and hammer mills in December.

PRICES RECEIVED BY FARMERS, AND PRICES PAID INCLUDING INTEREST,
TAXES, AND WAGES, INDEX NUMBERS, UNITED STATES, 1910-40*

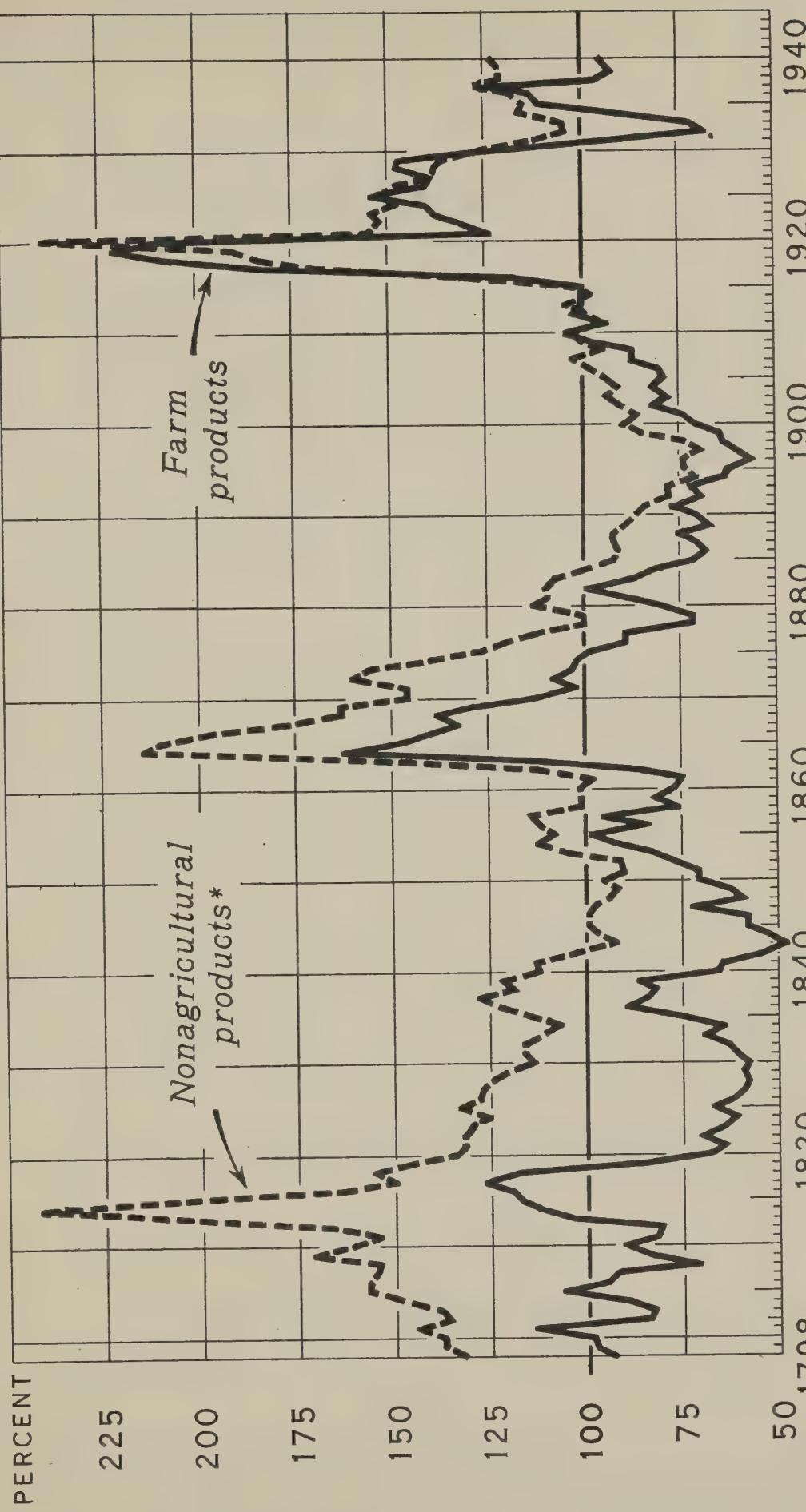


RATIO PER CAPITA OF FARM TO NONFARM INCOME, AND RATIO OF
PRICES RECEIVED TO PRICES PAID INCLUDING INTEREST,
TAXES, AND WAGES, UNITED STATES,



WHOLESALE PRICES OF FARM AND NONAGRICULTURAL PRODUCTS, UNITED STATES, 1798-1940

INDEX NUMBERS (1910-14=100)



* "ALL COMMODITIES" OTHER THAN FARM PRODUCTS AND FOODS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 23549 BUREAU OF AGRICULTURAL ECONOMICS

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington, D. C.

July 1941

INCOMES OF TYPICAL FAMILY-OPERATED FARMS BY REGIONS

Such wide differences in organization, operation, management, income and adjustment exist among farms between farming regions in the United States that it is misleading to make any general statements concerning these farms. In most instances, the problems and maladjustments are different between groups, and no common recommendations or solutions are appropriate.

A little over a year ago, members of the Bureau of Agricultural Economics began a study of shifts in production, changes in farm organization, and the economic well being of typical family farms by regions and by types of farms.

The general procedure has been to establish complete farm organization data from 1910 to date, year by year, for typical family-operated farms. Consideration was given to changes in size of farm, shifts in acreages, introduction of new crops, changes in mechanization and technological developments and subsequent increases in efficiencies of operation and production, and changes in prices. Existing information drawn from the Census, the Crop Reporting Board, other agencies within the Department, and formal publications were used in the analysis.

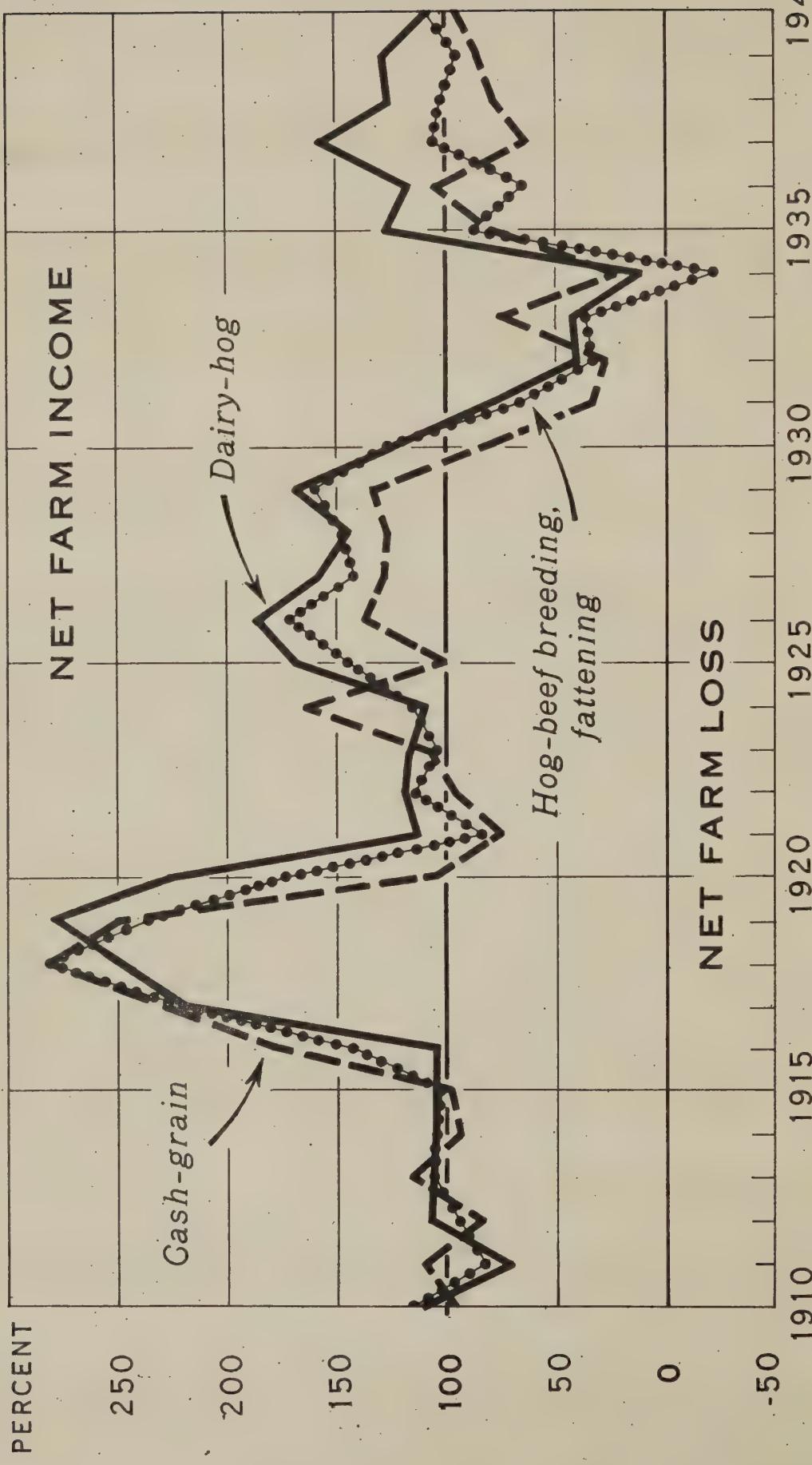
Indices of net farm income and of the purchasing power of this net farm income have already been constructed for typical family farms in several farming regions of the United States. All farms are considered on an owner-operated basis. The index numbers are based in 1910-14 as 100, and apply to calendar years. Net farm income as used here is the amount which the farm operator has during the year to compensate himself and unpaid members of his family for services rendered on the farm. Only interest actually paid on farm obligations is considered as an expense. Crops on which loans were obtained but not redeemed were considered as sold.

Typical Corn Belt Farms

Indices of net farm income of three typical family-operated Corn Belt farms are presented in figure 1. Farms like each of these are common throughout the Corn Belt.

Dairy-hog farms are perhaps the most common type in the entire region but are comparatively more common in Iowa, Indiana, and Ohio, than in other States of the Corn Belt. These are farms of about 120 acres of which about 70 percent is cultivated. Considerable hay and pasture are produced on these farms. During the last few years, operators of these farms have milked about 8 cows and have sold about 65 head of hogs each

INDICES OF NET FARM INCOME OF CORN
BELT FARMS BY TYPE OF FARM
(1910-14 = 100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 38630

BUREAU OF AGRICULTURAL ECONOMICS

FIGURE I

year. Only 6 percent of the gross income during recent years has been from the sale of feeds, since operators of these farms generally neither buy nor sell feeds.

Cash-grain farms are concentrated chiefly in east-central Illinois and north-central Iowa. They are about 180 acres in size, almost 90 percent of the farm is cultivated, and over 60 percent of the gross income is from the direct sale of feed crops.

Hog-beef breeding and fattening farms are about 200 acres in size and are found mostly in the western part of the Corn Belt. In recent years, operators of these farms produced about 90 hogs and 15 head of beef each year. Most of the cattle that are fattened are raised on the farms; feeds are frequently bought by operators. Income on these farms was comparatively low in the drought years of 1934 and 1936, because their livestock programs forced these farmers to buy feed at relatively high prices.

Mechanization has advanced rather rapidly on Corn Belt farms. Cash-grain farms particularly have been affected, but the advantages of their mechanization have been hardly sufficient to offset higher production and better prices on livestock farms.

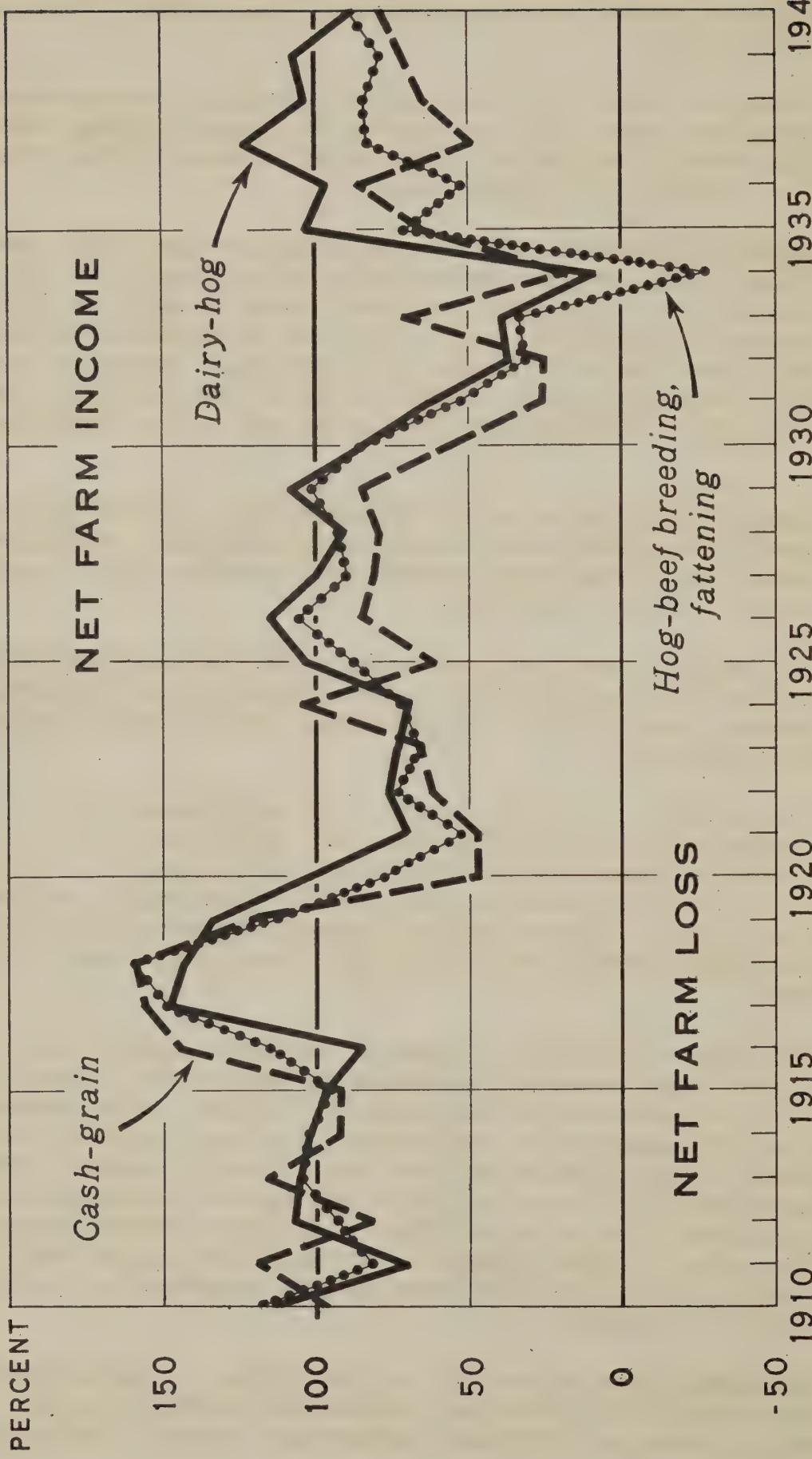
The index of net farm income since 1919 of dairy-hog farmers has generally been the most favorable of the three types. In fact, all livestock farmers, except during the droughts, seem to have fared better than cash-grain farmers.

The question naturally arises as to what these incomes mean in terms of purchasing power to the farmers. Will incomes of this year buy as many goods and services for the family as the income in 1910-14? (Expenditures for farm operations are deducted in calculating net farm income). We know that prices farmers pay for commodities and services in family living are higher today than in 1910-14. Have farm incomes risen to the same extent?

The index of purchasing power of net farm income results from adjusting net farm income by the index of prices that farmers pay for commodities and services for the family. To date, index numbers of prices farmers pay for commodities and services for the family are not available by regions. Prices farmers pay for these items apparently differ from region to region, but there is not an agreement of opinion as to how much, if any, the trends in prices of these items have differed among regions. The index series of these prices is available at present only for the United States. This index has been used in ascertaining the purchasing power of net farm income.

Dairy-hog farmers are the only ones whose index of purchasing power has reached 100 percent of 1910-14 since 1929 (fig.2). The index of purchasing power of dairy-hog farmers has averaged 104 since 1934,

INDICES OF PURCHASING POWER OF NET FARM INCOME
OF CORN BELT FARMS BY TYPE OF FARM
(1910-14=100)



*COMPUTED FROM ESTIMATES OF PRODUCTION AND PRICES

U. S. DEPARTMENT OF AGRICULTURE

NEG. 38915 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 2

Organization of typical Corn Belt farms, 1937-39

Item	Type of farm		
	Dairy-hay	Cash grain	Hog-beef-breeding, fattening
Acres per farm	118	181	196
Acres in crops	83	156	143
Percentage of farm cultivated	71	88	74
Acres in corn	28.7	77.8	52.0
Yield of corn	50.3	59.7	56.4
Acres of small grain	24.0	53.9	37.1
Acres hay	14.4	8.4	25.0
Number of cows milked	7.7	4.1	4.6
Cwt. hogs sold	139	66	201
Cwt. cattle sold	30	24	98
Cwt. sheep sold	6.4	1.5	4.5
Proportion of gross income from various sources			
	Percent	Percent	Percent
Corn		45	4
Small grain	4	12	4
Other crops	2	3	1
All crops	6	60	9
Hogs	45	15	44
Cattle	10	6	25
Sheep and poultry	5	2	4
All livestock	60	23	73
Dairy products	20	7	6
Poultry products	8	5	6
Wool and other livestock products	1	-	1
All livestock products	29	12	13
Other income	5	5	5
Total	100	100	100

compared with 76 and 69 respectively for hog-beef breeding-and-fattening and cash-grain farms during the same 6 years.

Typical Winter Wheat Farms

Indices of net farm income of typical winter-wheat farms in the southern Great Plains areas are found in figure 3 ^{1/}. Farmers in this area have maintained their farm incomes during the last 30 years by changing their farm organizations to keep up with technological developments. Many small farmers have found it unprofitable to remain in the area and their departure has made more land available to those who stayed. These remaining farmers have increased the size of their farms to utilize machinery effectively. In general, they have had favorable incomes, relative to 1910-14, in most of the years since 1914.

The income on these farms has varied considerably from year to year. Wheat farmers in general have had the best income record and wheat-corn-livestock farmers the poorest income record. The index of net farm income on wheat farms has averaged 143; on wheat-grain sorghum-livestock farms 133 and on wheat-corn-livestock farms 102 during the last 7 years.

A study of the typical farming systems, upon which these indices of net farm income are based, reveals some striking technological changes, such as: (1) An almost complete shift from horse operation to tractor operation; (2) changes in harvesting equipment; (3) fairly steady increases in acreage operated to adopt systems to the more efficient use of mechanical power and equipment.

Wheat farms are now operated almost entirely by tractors, whereas, in 1910, draft animals furnished the drawbar power. Methods of wheat harvest have changed from binder or header harvest to a nearly 100 percent combine harvesting. The major expense on these farms in recent years has been for power and machinery operation and upkeep.

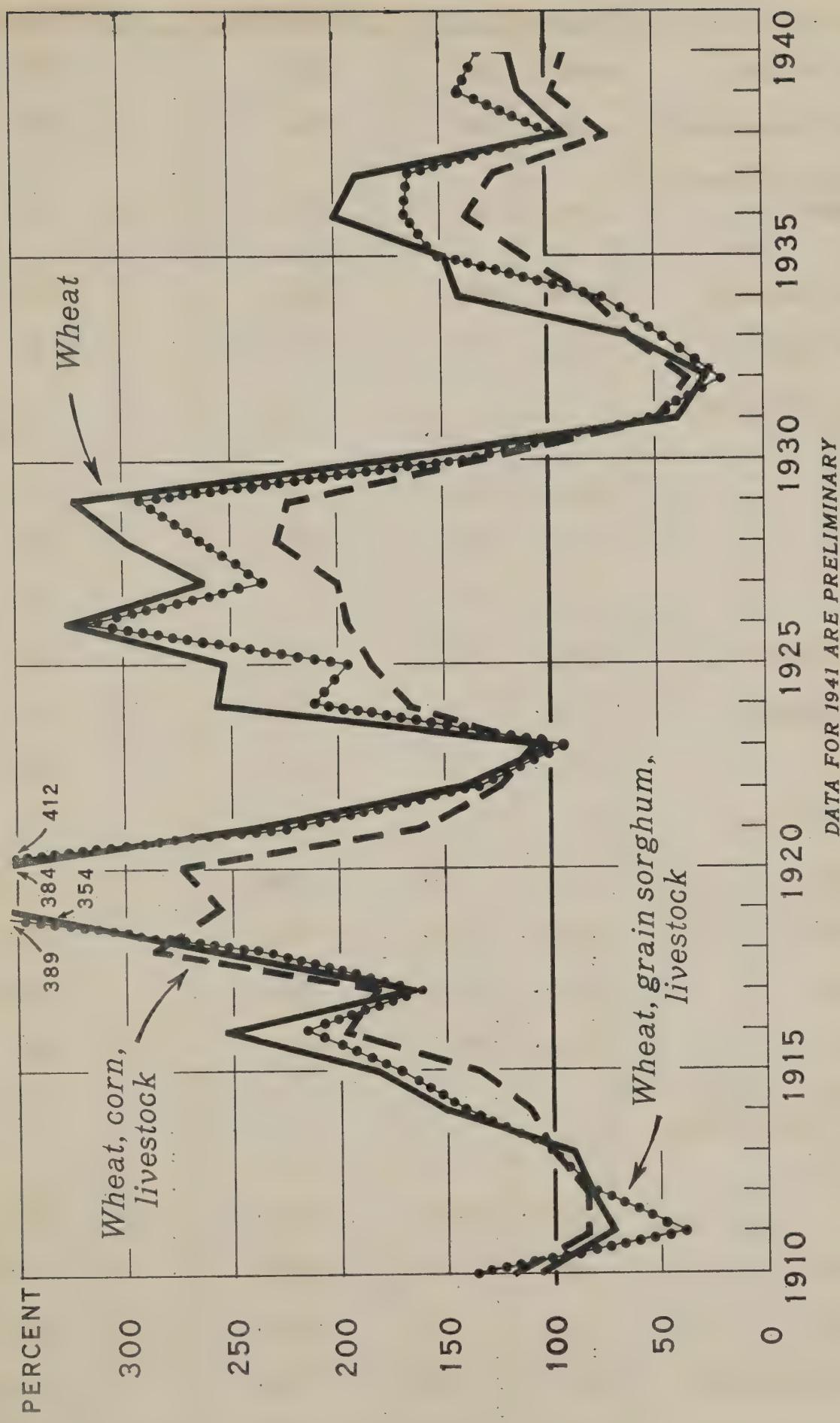
Upward trends in size of farms in this area have been in evidence for some time. The first upward surge in size started during World War I and continued to 1929. During the depression years the size of the wheat farm remained about the same but the size of wheat-grain-sorghum livestock

^{1/} The area is comprised of the western two-thirds of Kansas; the panhandle of Oklahoma; the panhandle of Texas; a very small part of northeastern New Mexico; a small part of northeastern Colorado and southwestern Nebraska. The wheat farms are common throughout the area. Wheat-corn-livestock farms are more common in the eastern, north-central, and west-north-central portions of the area. Wheat-grain-sorghum livestock farms are located largely in the southern and southwestern portions of the area.

7

INDICES OF NET FARM INCOME OF WINTER
WHEAT AREA FARMS BY TYPE OF FARM

(1910-14 = 100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 39275 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 3

Organization of typical farms in winter wheat area,
1937-39

Item	Unit	Type of farm		
		Wheat	Wheat, corn, livestock	Wheat, grain, sorghum, livestock
Acreage in farm	Acres	567	520	579
Acreage in cropland	do.	503	398	449
Percentage of farm in cropland	Pct.	89	77	78
Wheat:				
(Acres planted)	Acres	394	226	294
(Harvested)	Pct.	77	81	74
(Yield per planted acre)	Bu.	8.1	8.8	7.6
Corn	Acres	18	43	3
Barley	do.	11	24	16
Oats	do.	5	15	11
Grain sorghum	do.	32	21	69
Forage sorghum	do.	7	22	17
Other hay	do.	4	19	10
Idle and fallow	do.	32	22	29
Milk cows	No.	3.0	6.9	7.0
Pork sold	Cwt.	4.3	61.2	46.0
Beef sold	do.	10.7	51.8	47.0
Poultry	No.	92	149	106
Proportion of gross income from various sources:				
Wheat	Pct.	67.0	41.1	46.6
Other crops	do.	9.3	10.2	8.7
Livestock	do.	4.5	30.8	24.3
Livestock products	do.	4.2	8.5	7.8
AAA	Pct.	15.0	9.4	12.6
Total		100.0	100.0	100.0

type of farm showed some evidence of a decline. Since 1936, the trend in size has again been upward. By 1940, typical wheat and wheat-grain sorghum-livestock farmers were operating about twice as many acres as in 1910, and typical wheat-corn-livestock farmers were operating 50 percent more acres than in 1910. During 1937-39 wheat farmers were cropping an average of 500 acres. Wheat-corn-livestock farmers and wheat-grain sorghum-livestock farmers during this same period were cropping 400 and 450 acres, respectively.

The degree of adjustment in size has differed considerably among the types of farms. This difference affects the comparison of net farm incomes, but can be obviated by comparisons of income per 100 crop acres. Figure 4, constructed on a 100-crop-acre basis, indicates that most of the differences (in recent years) in the indices of net farm income have been caused by the degree of acreage adjustments. On this basis the index of net farm income has been below 100 for all types since 1930, except in 1936 when the index rose to 106 for wheat farms and to 100 for wheat-corn-livestock farms.

Indices of purchasing power of net farm income for these farms on the actual acreage basis are given in figure 5. Wheat farmers have usually had the highest index of purchasing power and corn-livestock farmers the lowest. The index of purchasing power of net farm income including Government payments since 1933 has averaged 116 for wheat farmers, 108 for wheat-grain sorghum-livestock farmers and 83 for wheat-corn-livestock farmers.

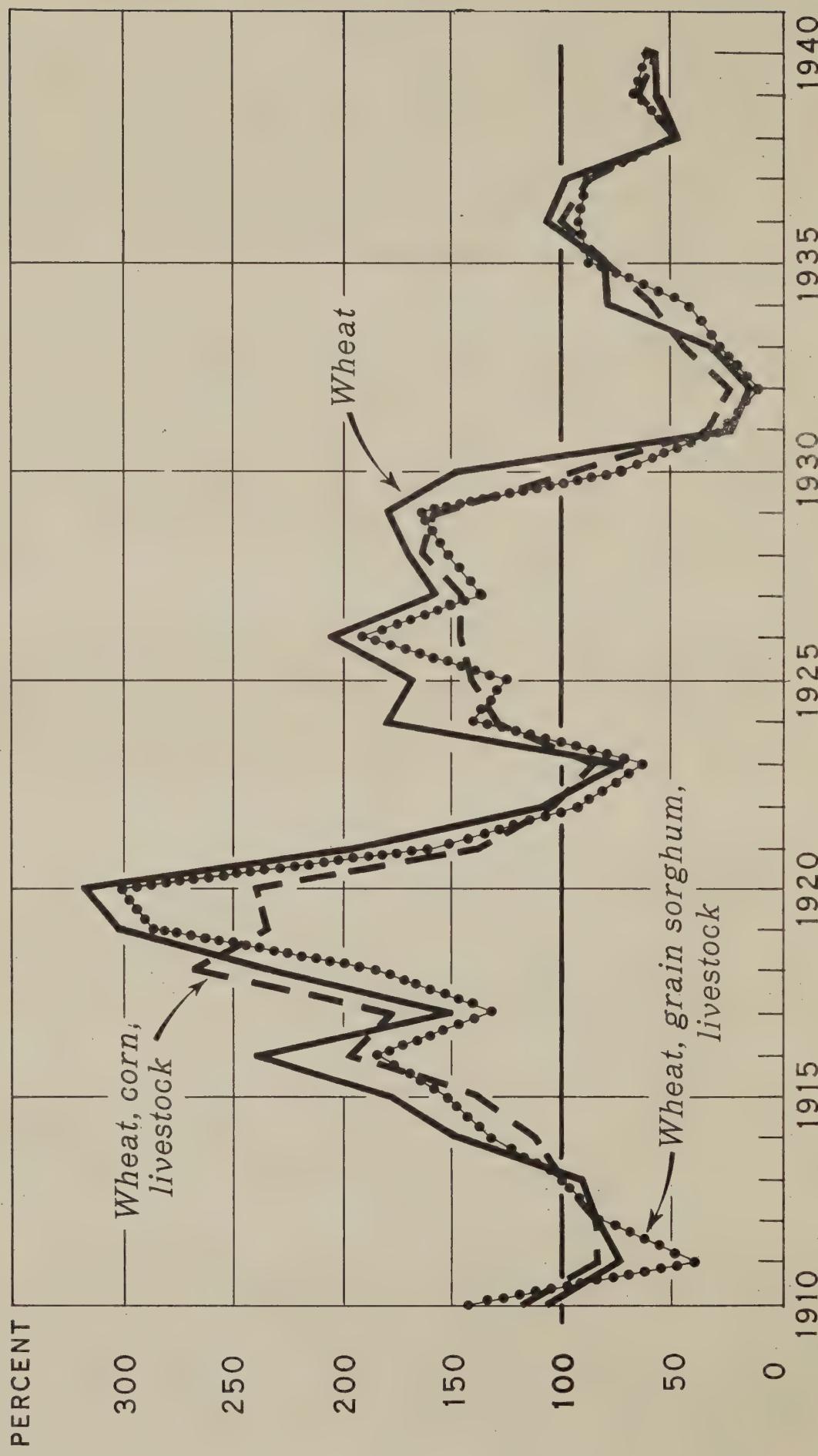
Typical Cotton Farms

Many general and very sweeping statements have been made during late years concerning the incomes of cotton farmers in the South. That these statements are likely to be misleading especially when applied to any particular area is evident from indices of net farm returns of cotton farmers in three separate areas of the South (fig.6).

Each of the organizations represented in these indices is typical of family-size cotton farms in the indicated area of the South, but each organization is different and the shifts made by the operators to meet changing economic conditions are significantly different.

The two-mule cotton farms in Georgia are typical of a large group of farms in the Old South, an area in which cotton farming has been established for a long time. Cotton farming became prominent in the other areas considerably later, particularly in the Delta of Mississippi, and was well established in each of the areas by 1910. The Mississippi Delta is a comparatively new farming area, however, and considerable land was still being reclaimed and farm organizations were undergoing considerable change long after 1910.

INDICES OF NET INCOME PER 100 CROP ACRES IN
WINTER WHEAT AREA FARMS BY TYPE OF FARM
(1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE

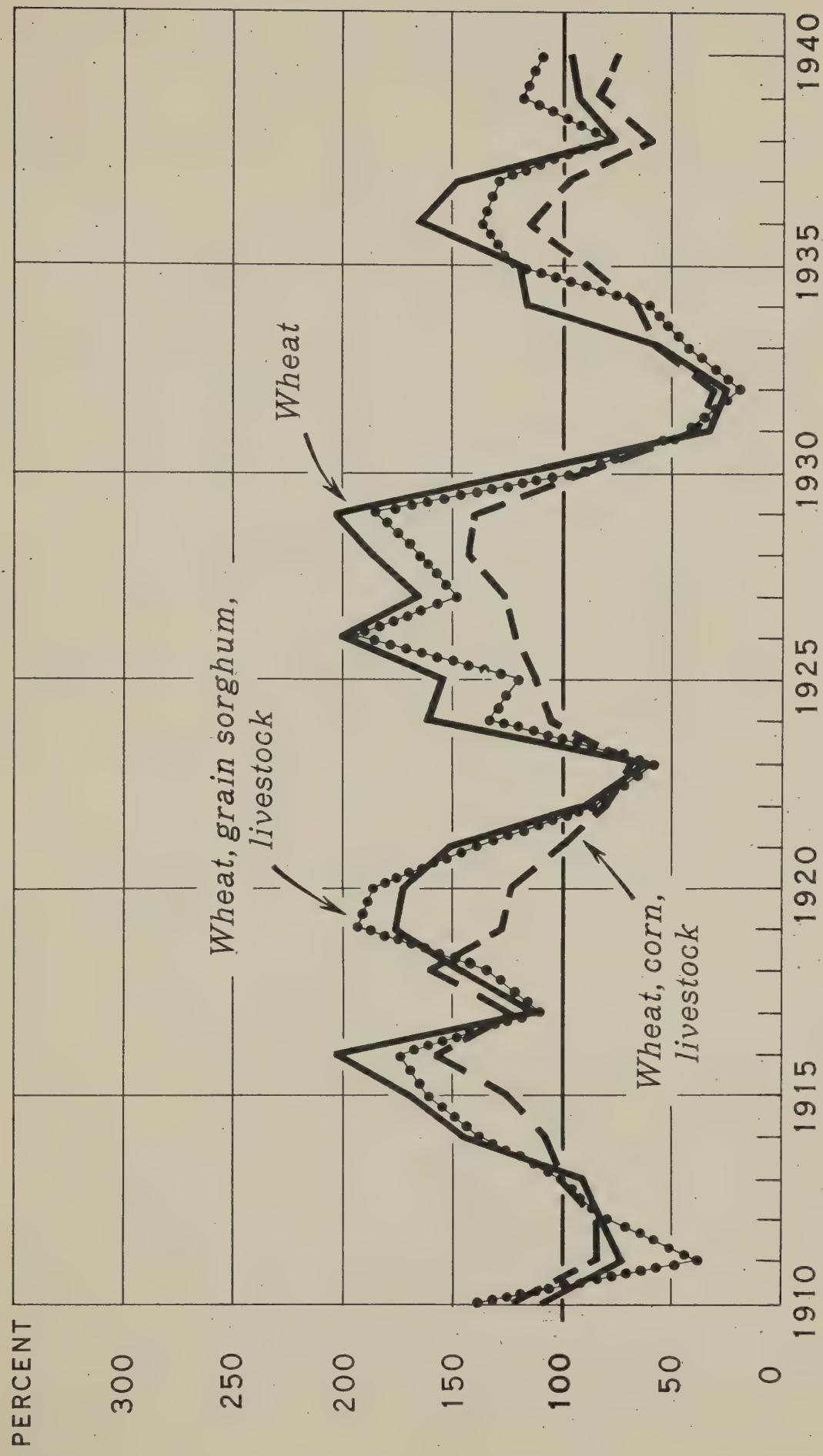
NEG. 39276

BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 4

11

INDICES OF PURCHASING POWER OF NET FARM
INCOME OF WINTER WHEAT AREA BY TYPE OF FARM
(1910-14 = 100)



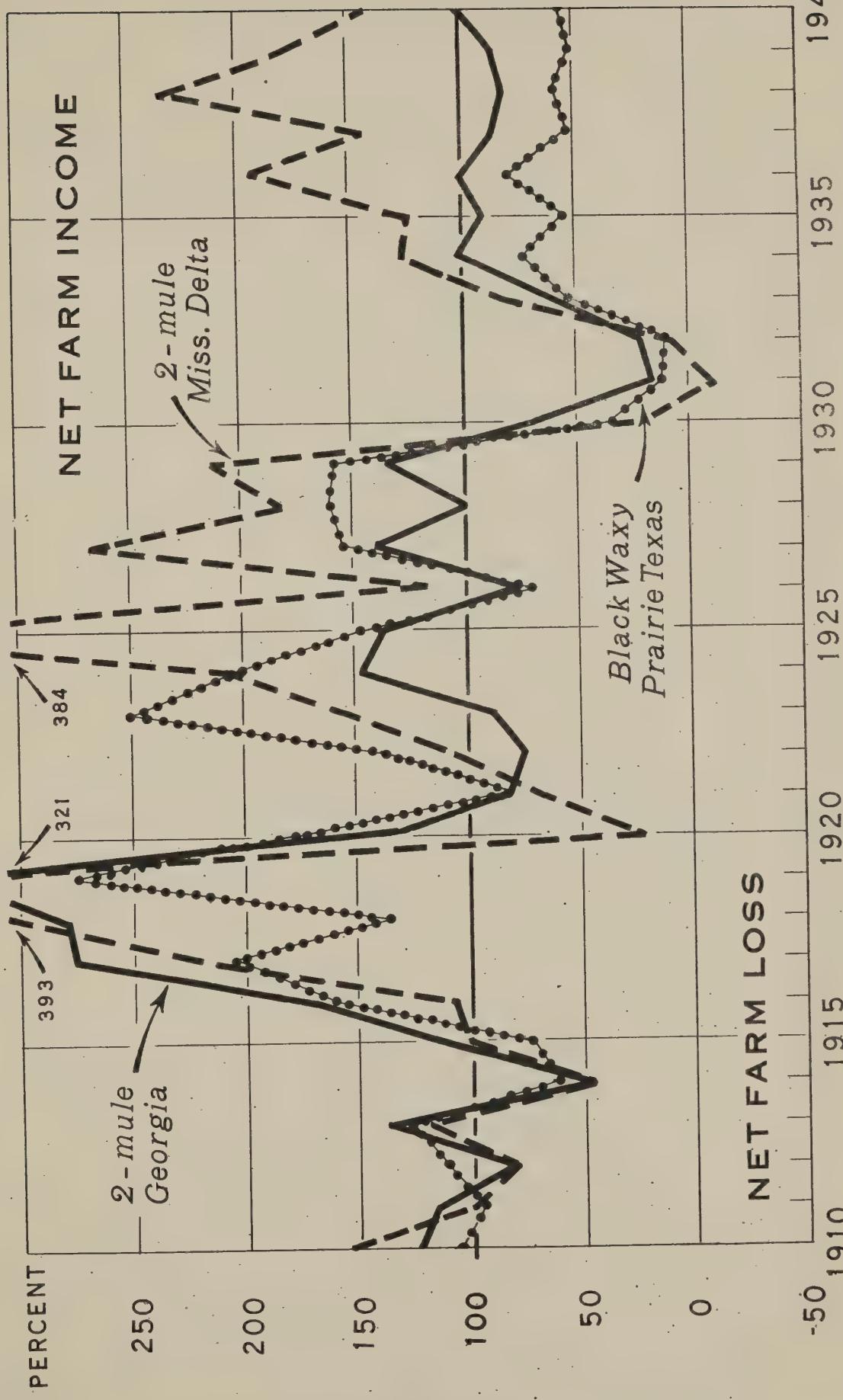
U. S. DEPARTMENT OF AGRICULTURE

NEG. 39277 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 5

INDICES OF NET FARM INCOME OF TYPICAL
COTTON FARMS, 1910-40

(1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 39186

BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 6

Organization of typical cotton farms,
1937-39

Item	Type of farm		
	2-mule	2-mule Missis-	Black Waxy
	Georgia	sippi Delta	Prairie, Texas
Acres in farm	81.9	40.9	101
Acres cultivated	39.2	30.2	87
Percentage of farm cultivated	47.9	73.8	86
Acres cotton	11.6	13.8	37.6
Yield of cotton, pounds lint	244	426	183
Acres corn	16.6	9.7	17.0
Acres other grains	10.3	2.8	8.1
Acres hay	1/ (5.0)	2.3	9.4
Acres pasture	8.6	5.0	12.0
Workstock, head	2.0	2.0	3.7
Cattle, head	2.6	1.9	3.5
Hogs, head	4.0	5.0	5.1
Hens, number	40.0	45.0	60.0
	Proportion of gross income from various sources		
	Percent	Percent	Percent
Cotton and cottonseed	59	79	64
Other crops	5	0	4
Livestock	6	3	4
Livestock products	13	5	11
AAA	17	13	17
Total	100	100	100

1/ Double-cropped

Striking changes in farm organization have been made in each area. Each group of farmers has increased acreages of corn, hay, and other feed crops; increased its livestock program; and reduced drastically the acreage of cotton. Farmers in Georgia have increased their livestock enterprises to the extent that feed crops are still utilized on the farms, whereas farmers in the Black Waxy area are selling more feed crops than formerly. Farmers in the Delta are now producing enough feed crops whereas formerly, although their livestock programs were small, they were buying feeds. In 1938, this area had a slight excess of feeds--this is the only year in which this has happened.

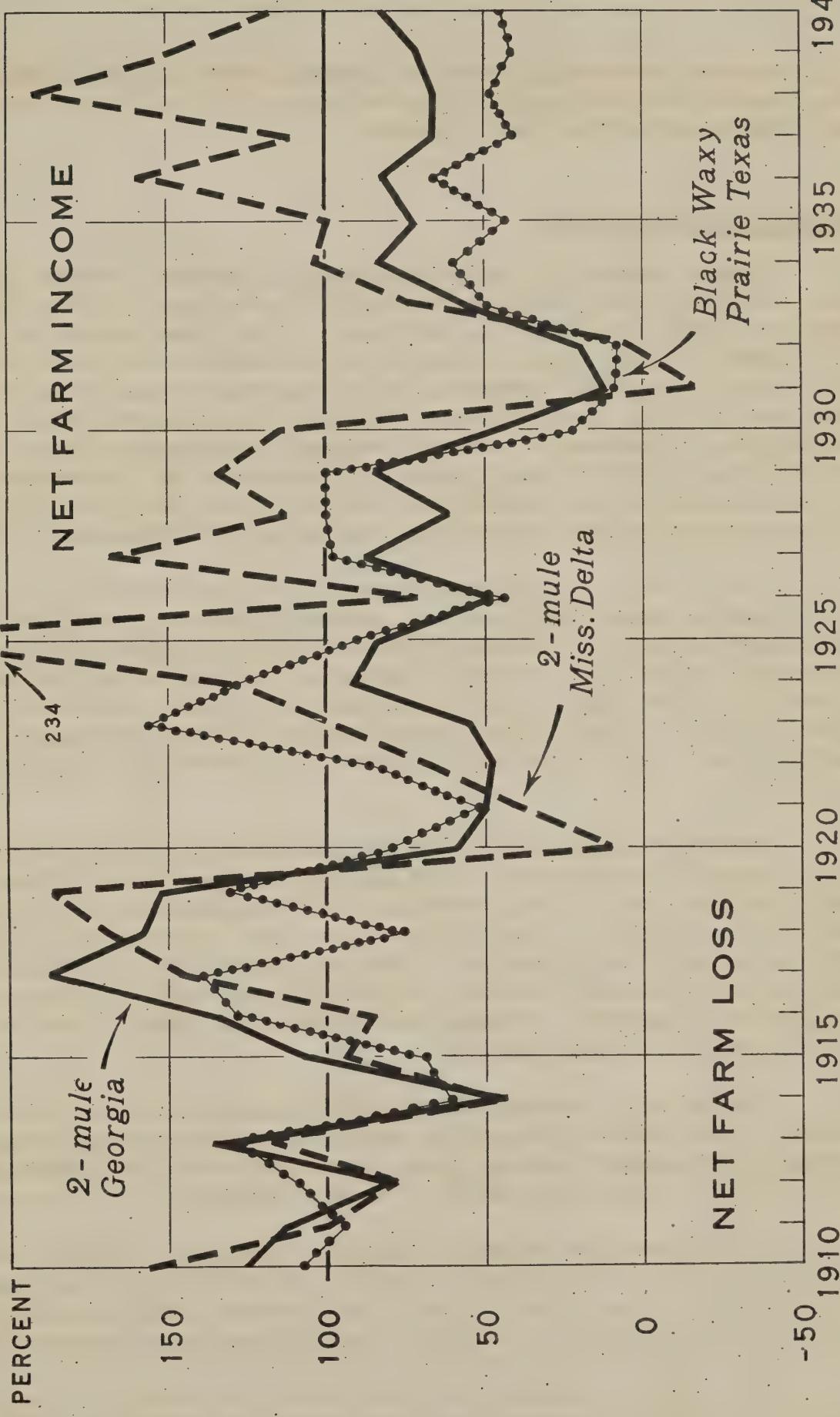
These shifts and changes are reflected in the indices of net farm income. The index of net farm income including Government payments for Delta farmers has been comparatively high since 1933, mostly because the farmers have been able to increase their production substantially without any material increase in costs. They are now producing 45 percent more cotton on 28 percent less acreage, and are spending slightly less for fertilizer than during 1928-32. These farmers have almost doubled their yields of cotton since the adjustment program started. Less than 4 percent of their total expenditure is made for fertilizer.

The index of farm income of Georgia farmers has generally been less favorable than of Delta farmers. This has been true particularly since 1933. These farmers are now producing the same quantity of cotton as during the period 1928-32, but they have reduced the acreage of cotton by 24 percent and are spending 17 percent less for fertilizer than in that period. Even so, more than 32 percent of their total expenditure now is for fertilizer. In contrast, farmers in the Black Waxy area have had the lowest index of net farm income during recent years. These farmers are now producing 20 percent less cotton on one-third less land than during the period 1928-32. Farmers in the Black Waxy area have never used commercial fertilizers extensively in cotton production.

The typical Black Waxy cotton farm, in terms of acres cultivated is, almost three times the size of the Delta farm and more than double the size of the Georgia farm. Since the early 1930's farmers in the Black Waxy area have mechanized their farms considerably. Approximately 30 percent of the total expenditure on these farms in 1937-39 was for machinery operation and replacement in contrast to an average of 12 percent from 1910 to 1932. Little mechanization has taken place on the Georgia or Delta farms.

The index of purchasing power of cotton farmers in Georgia has never reached 100 percent of 1910-14 since 1919 (fig. 7). It has averaged only 75 during the last 7 years. The index of purchasing power of cotton farmers in the Black Waxy area has exceeded 100 in only 2 years (1923 and 1924) since 1919, and has averaged only 49 during the last 7 years.

INDICES OF PURCHASING POWER OF NET FARM INCOME
OF TYPICAL COTTON FARMS, 1910-40
(1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 39187 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 7

In contrast, purchasing power of cotton farmers in the Mississippi Delta has been below 100 in only 10 years since 1919 and has averaged 134 percent of 1910-14 during the last 7 years.

Typical Tobacco Farms

Index numbers of net farm income of typical tobacco producers have also varied greatly by type. Owing to an especially favorable demand for tobacco during World War I, the index of net farm income of producers of flue-cured tobacco rose to a high of 565 percent of the 1910-14 (fig.8). The index for typical producers of fire-cured tobacco rose to only 363 in the same period. Both indices declined after the war, but the index for producers of flue-cured tobacco remained considerably above 100 until 1930, whereas the index of farm income for producers of fire-cured tobacco immediately fell to 91 in 1920 and was below 100 during 4 of the next 10 years. It has generally been lower than the index for flue-cured producers.

These shifts in income are the combined result of changes in foreign and domestic demand for tobacco, prices of tobacco, and changes in farm organization made by farmers to meet changes in demand and prices. Tobacco receipts, including Government payments, make up about 75 percent and 85 percent respectively of the gross income on fire-cured and flue-cured tobacco farms. Any change in the markets for the fire-cured and flue-cured tobacco crop materially affects the income and operations of tobacco farmers.

Flue-cured tobacco is one of the principal tobaccos used in the manufacture of cigarettes. Virginia fire-cured tobacco (used largely for snuff and Italian cigars, chewing, and nicotine) has largely been an export crop. For example, in the middle 1920's well over half of the Virginia fire-cured crop was exported. Both production and exports have been declining. Exports of fire-cured tobacco in 1937-39 were only 31 percent of the exports in 1923-26. Exports of flue-cured tobacco in 1937-39 were about 120 percent of the exports in 1923-26.

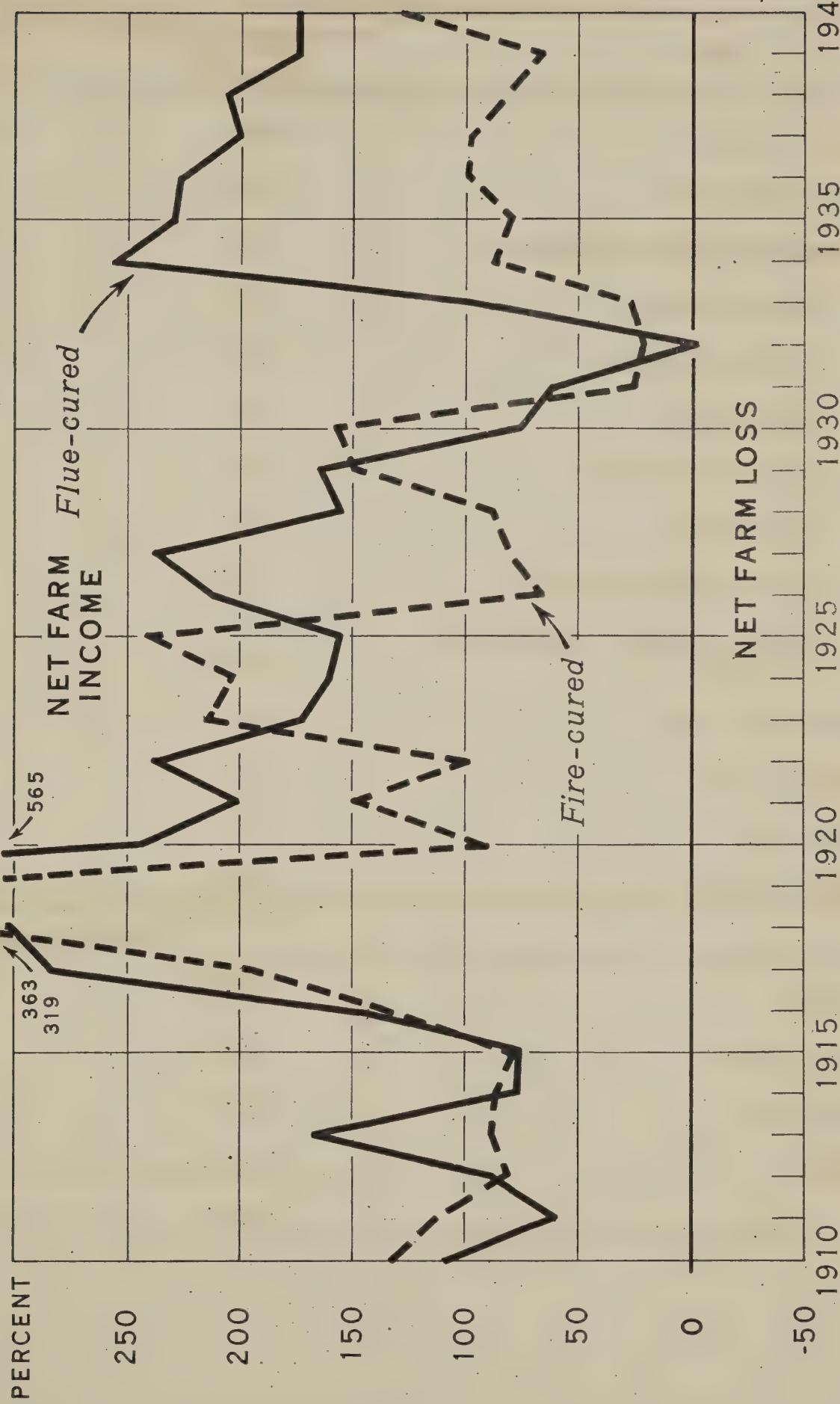
Unfavorable markets and resulting lower prices have caused some producers of fire-cured tobacco to abandon the enterprise. Some who formerly produced fire-cured tobacco grow no tobacco today but others whose farms have suitable soils have shifted to the production of flue-cured.

The typical producer of Virginia fire-cured tobacco has gradually reduced his acreage of tobacco and now has one-third less acreage of tobacco than in 1910-14 or 1928-32. He is now getting about 20 percent higher yields than in 1929-32 and is producing about 87 percent as much tobacco.

The typical producer of flue-cured tobacco has decreased his acreage of tobacco only 10 percent from the 1910-14 or 1928-32 average; and yet his yields are 37 percent greater and his production approximately 20 percent

INDICES OF NET FARM INCOME OF TYPICAL
TOBACCO FARMS, VIRGINIA, 1910-40

(1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 39364

BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 8

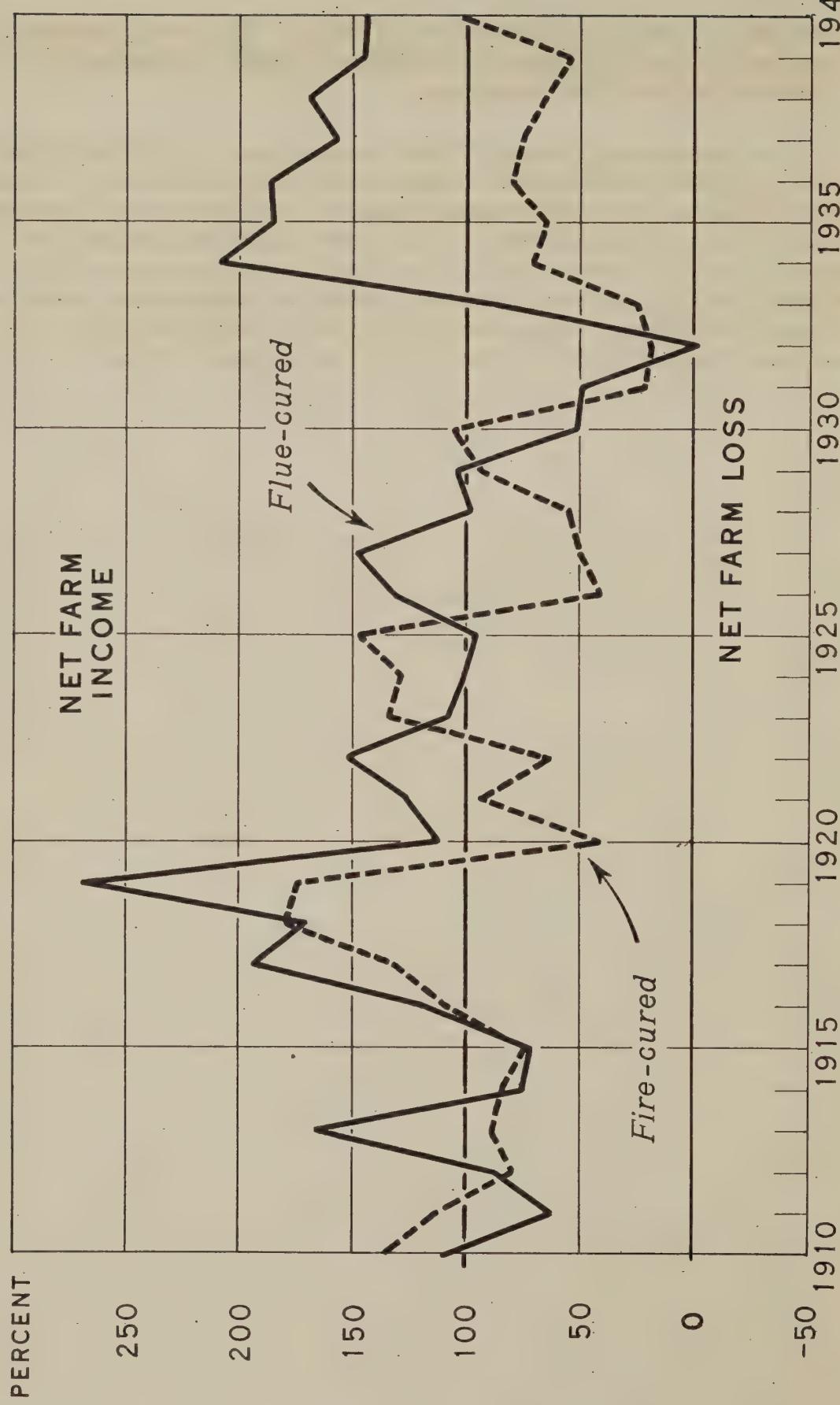
Organization of typical tobacco farms,
1937-39

Item	Type of farm		
	Fire-cured	:	Flue-cured
	(Type 31)	:	(Type 11)
Acres in farm	118.1	:	133.6
Acres cultivated	44.5	:	48.2
Percentage of farm cultivated	37.7	:	36.1
Acres tobacco	5.1	:	7.3
Yield of tobacco	803	:	737
Acres corn	9.0	:	10.8
Acres other grain	8.9	:	6.8
Acres hay	7.0	:	7.0
Acres rotation pasture	9.0	:	6.3
Acres permanent pasture and woods	67.1	:	79.4
Workstock, head	1.8	:	2.0
Cattle, head	3.8	:	3.2
Hogs, head	2.5	:	2.1
Hens, number	38.6	:	36.0
	Proportion of gross income from various sources		
Tobacco	Percent	:	Percent
	57.5	:	81.4
Other crops	13.1	:	5.3
Livestock	13.9	:	7.9
Other	15.5	:	5.4
Total	100.0	:	100.0

greater than in either 1910-14 or 1928-32. The total amount of fertilizer used on both types of farms has remained about the same; however, it has been applied to smaller acreages.

The purchasing power of net farm income of producers of fire-cured tobacco has been considerably lower than for producers of flue-cured tobacco (fig. 9). The purchasing power of producers of fire-cured tobacco has been below 100 in 20 out of the last 31 years; since 1926 it has averaged only 62 percent of 1910-14 and has only reached 100 in 2 years (1930 and 1940). In contrast, the index of purchasing power of producers of flue-cured tobacco has been below 100 in only 10 years during the past 31 and has averaged 124 percent of 1910-14 since 1926.

INDICES OF PURCHASING POWER OF NET FARM INCOME OF
TYPICAL TOBACCO FARMS, VIRGINIA, 1910-40
(1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE

FIGURE 9

NEG. 39365 BUREAU OF AGRICULTURAL ECONOMICS

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington, D. C.

July 31, 1941

SOME EXAMPLES OF METHODS THAT MIGHT BE USED TO COMPUTE PARITY PRICES
OF AGRICULTURAL PRODUCTS, IF PRESENT METHOD IS TO BE REVISED

This statement and the accompanying tables outline three alternative methods or approaches for calculating parity prices, and show the resulting parity prices for a few selected commodities for June 1941. All these approaches are only illustrative; and a considerable amount of additional work would need to be done in case any of them would seem to offer a desirable lead. This should include checking and the extension of the calculations to other farm commodities, the determination as to the exact way in which Government payments should be added to the price of the several commodities and included in the indexes, and a more exact definition of the terms used in order that the formulas and calculations could be easily and uniformly checked.

METHOD I: PARITY PRICES ON BASIS COMMODITY PRICES FOR RECENT TEN YEARS, ADJUSTED TO INCOME PARITY FOR 1910-14. This method takes the average prices for each commodity for the most recent ten years, and increases each of those average prices by the percentage by which farm income per capita during that period fell below nonfarm income per capita, as compared to the income relation in the 1910-14 period. Government payments to each commodity are included in computing the average farm price. The 10-year price averages, so increased, become the new base prices. The parity price for any month is then this base price, adjusted to allow for subsequent changes in the ratio of the index of nonfarm per capita income to the index of the physical volume of farm production. (The most recent figure available is used for current nonfarm per capita income; the average of the last two years, for the measure of the current physical volume of farm production.)

At the present time, for example, the ten years 1931 to 1940, inclusive, constitute the 10-year base. During those ten years per capita farm incomes averaged only 107.0 percent of their 1910-14 average, while per capita nonfarm incomes averaged 118.4 percent of their 1910-14 average. Accordingly the average farm prices during those ten years would have to be raised by 11 percent to have made the farm prices of the base period yield farmers a parity income. Government payments not on a commodity basis, such as general soil-conserving payments, are excluded both from farm prices and farm income. The 1931-40 average prices, plus 11 percent, are the new base prices. For June 1941, it is estimated that nonfarm per capita income was at least 33.5 percent higher than on the average for 1931-40. The physical volume of farm production, meanwhile, (as judged by the 1939-40 average) has increased to 6.9 percent above the average volume for 1931-40. To bring the base prices up to present income parity prices, then, base prices need to be increased by 133.5/106.9 or by 24.9 percent. (See table for Method I.)

METHOD II: COMPUTATION OF PARITY PRICES ON BASIS COMMODITY PRICES 1935-39, ADJUSTED TO RELATIVE COSTS OF COMMODITIES PURCHASED, BASIS 1910-14.
Parity prices may be computed on a recent base period, 1935-39, in a manner which will maintain the same general level of parity prices for agricultural commodities as would result from the use of the 1910-14 period as a base for both prices received by farmers and prices paid by farmers. The terms to be used may be defined as follows:

The base price is the average farm price, including Government payments to commodities, during the five years 1935-39. The parity index is the index of prices paid by farmers (including interest, taxes, and wages) on a 1910-14 base divided by the weighted average percentage that the base prices determined for the 1935-39 or a comparable recent base period are of comparable base prices determined for the August 1909-July 1914 period. The parity price is the base price multiplied by the parity index.

The estimated base price, including Government payments, for all agricultural commodities, determined on the basis of 1935-39 prices, is 111 percent of the base prices that would be determined for all agricultural commodities during the 1910-14 period. The index of prices paid by farmers for June 1941 is 129 percent of the 1910-14 base. Dividing this index (129) by the base price index (111) results in a parity price index of 116 percent for June 1941. The base prices shown in column 1 of the accompanying table are then multiplied by the parity index (116 percent) to obtain the parity prices shown in column 2. Comparable parity prices computed on the basis of farm prices for individual commodities during the 1910-14 period are shown in column 3. (See table for Method II.)

As an adjustment under Method II, in order to give a more flexible approach, average prices for some other period of six or more consecutive years out of the fifteen years preceding the year for which parities are being calculated could be used as a base for individual commodities for which it was determined that normal price relationships did not exist in 1935-39. For example, alternative base periods might be selected for cotton and prunes, say 1926-31. This change would raise the base price of cotton from 12.3 to 13.8 cents per pound and the base price for prunes from \$59.47 to \$87.99 per ton. These new prices would also raise the general level of farm prices in the base period about 1 percent and reduce the parity index about 1 percent. That is, the parity prices for the special base commodities would be raised considerably and the prices for all regular base commodities would be slightly lowered.

METHOD III: COMPUTATION OF PARITY PRICES USING 1920-29 OR 1935-39 AS BASE PERIOD. The current method of calculating parity prices is relatively simple and easily understood. But the 1910-14 base is over 25 years away and several agencies are currently using a 1935-39 base for index-number work. As a result, the suggestion is often made that the old method be retained except for the adoption of a more recent base period, usually 1920-29 or 1935-39.

The accompanying calculations show the parity prices that would result from shifting the base period forward. Since the index of prices paid

for commodities, interest, taxes, and wages combined averaged about 161 for 1920-29 and about 122 for 1935-39 as compared with 129 in June 1941, the average prices received by farmers in 1920-29 are adjusted by a factor equal to 129/161 or 80 percent, while the prices, including Government payments to commodities, for 1935-39 are adjusted by a factor equal to 129/122 or 106 percent in calculating the new parity prices for June 1941. (See table for Method III.)

NOTES ON METHODS I, II, AND III: The several parity calculations discussed in this statement and shown in the accompanying tables are all based upon the new or revised income data and index of prices paid for commodities, interest, taxes, and wages combined. The results obtained from the several methods are compared in the table entitled "Comparison of Parity Prices for Selected Commodities Calculated by Methods I, II, and III and Current Parity Prices for June 1941".

COMPARISON OF PARITY PRICES FOR SELECTED COMMODITIES CALCULATED BY
METHODS I, II, AND III AND CURRENT PARITY PRICES FOR JUNE 1941

Commodity	New parity prices, June 1941, calculated by			Current
	Method II :		Method III	parity price,
	Method I	(adjusted	(shifted base)	June 1941,
	(income)	purchasing	1920-29	without
		power)	1935-39	seasonal adjustment
	(1)	(2)	(3)	(4)
				(5)
Cotton, ¢ per lb.	15.78	14.3	15.55	13.0
Wheat, ¢ per bushel	115.3	108.8	95.0	99.4
Corn, ¢ per bushel	81.4	81.1	61.6	74.1
Hogs, \$ per cwt.	9.79	9.59	7.50	8.77
Beef cattle, \$ per cwt.	8.01	7.56	5.66	6.91
Butterfat, ¢ per lb.	35.5	33.3	34.2	30.4
Eggs, ¢ per doz.	25.6	24.1	23.4	22.0
Wool, ¢ per lb.	29.5	27.7	26.9	25.3
Soybeans, ¢ per bu.	126.0	102.1	1/	93.0
Fla. grapefruit, ¢ per box ..	85.0	70.0	123.0	64.0
Cal. oranges, ¢ per box	169.0	148.0	221.0	136.0
Cal. dried prunes, \$ per ton	85.0	70.0	91.6	64.0

1/ Soybean prices not available for 1920-29. 2/ Soybeans are a relatively new commodity, for which parity prices have not as yet been determined. 3/ Parity prices for 1940-41 season. Florida grapefruit and California oranges basis 1919-29, California dried prunes basis 1919-28.

Column 1: See table for Method I, showing computation of parity prices on basis commodity prices for 1931-40, adjusted to income parity for 1910-14.

Column 2: See table for Method II, showing computation of parity prices on basis commodity prices 1935-39, adjusted to relative costs of commodities purchased, basis 1910-14.

Column 3 and column 4: See table for Method III, showing computation of parity prices using 1920-29 or 1935-39 as base period.

Column 5: Current parity prices as calculated and published in the regular monthly price report of the Division of Agricultural Statistics, U.S. Department of Agriculture, or used in operation of programs administered by the Department.

METHOD I.— COMPUTATION OF PARITY PRICES ON BASIS COMMODITY PRICES
FOR 1931-40, ADJUSTED TO INCOME PARITY FOR 1910-14

Commodity	Adjusted		New	New	Current
	average		base	parity price	parity, June
	farm		prices	June 1941	1941, without
	price, 1931-40		(Col. 1 x 1.11)	(Col. 2 x 124.9)	seasonal adjustment
Column	(1)	(2)	(3)	(4)	
Cotton, ¢ per lb.	11.38	12.63	15.78	16.12	
Wheat, ¢ per bu.	83.2	92.4	115.3	114.9	
Corn, ¢ per bu.	1/ 58.7	65.2	81.4	83.5	
Hogs, \$ per cwt.	1/ 7.06	7.84	9.79	9.39	
Beef cattle, \$ per cwt.	5.78	6.42	8.01	6.77	
Butterfat, ¢ per lb.	25.6	28.4	35.5	34.2	
Eggs, ¢ per doz.	18.5	20.5	25.6	28.0	
Wool, ¢ per lb.	21.3	23.6	29.5	23.8	
Soybeans, ¢ per bu.	91.0	101.0	126.0	2/	
Florida grapefruit, ¢ per box ...	61.0	68.0	85.0	3/115.0	
Calif. oranges, ¢ per box	122.0	135.0	169.0	3/206.0	
Calif. dried prunes, \$ per ton ..	61.0	68.0	85.0	3/ 95.0	

1/ See note for Column 1. 2/ Soybeans are a relatively new commodity, for which parity prices have not as yet been determined. 3/ Parity prices for 1940-41 season. Florida grapefruit and California oranges basis 1919-29, California dried prunes basis 1919-28.

Column 1: Average farm price for 1931-40, including Government payments on a commodity basis, with all corn and hog payments included in the hog prices.

Column 2: Prices for 1931-40 adjusted to basis of income parity, 1910-14. Index of per capita farm income was 107.0 as compared with an index of per capita nonfarm income of 118.4 in 1931-40, both on basis 1910-14.

Column 3: Base prices for Column 2 adjusted for estimated index of nonfarm per capita income for June 1941 of 133.5, basis 1931-40, divided by index of volume of farm production for preceding two years of 106.9, basis 1931-40.

Column 4: Current parity prices as calculated and published in the regular monthly price report of the Division of Agricultural Statistics, U.S. Department of Agriculture, or used in operation of programs administered by the Department.

METHOD II.— COMPUTATION OF PARITY PRICES ON BASIS COMMODITY PRICES
1935-39, ADJUSTED TO RELATIVE COSTS OF COMMODITIES
PURCHASED, BASIS 1910-14

Commodity	Adjusted average farm price, 1935-39	New parity, June 1941, (Col. 1 x 1.16)	Current parity, June 1941, without seasonal adjustment
Column	(1)	(2)	(3)
Cotton, ¢ per lb.	12.3	14.3	16.12
Wheat, ¢ per bu.	93.8	108.8	114.9
Corn, ¢ per bu.	69.9	81.1	83.5
Hogs, \$ per cwt.	8.27	9.59	9.39
Beef cattle, \$ per cwt.	6.52	7.56	6.77
Butterfat, ¢ per lb.	28.7	33.3	34.2
Eggs, ¢ per doz.	20.8	24.1	28.0
Wool, ¢ per lb.	23.9	27.7	23.8
Soybeans, ¢ per bu.	88.0	102.1	1/
Florida grapefruit, ¢ per box	60.0	70.0	2/115.0
Calif. oranges, ¢ per box	128.0	148.0	2/206.0
Calif. dried prunes, \$ per ton	60.0	70.0	2/ 95.0

1/ Soybeans are a relatively new commodity, for which parity prices have not as yet been determined. 2/ Parity prices for 1940-41 season. Florida grapefruit and California oranges basis 1919-29, California dried prunes basis 1919-28.

Column 1: Average prices received by farmers, including Government payments made on a commodity basis, 1935-39.

Column 2: Prices in Column 1 adjusted for changes in purchasing power of farm products relative to changes in prices paid for commodities purchased, interest, taxes, and wages combined, which average 129 for June 1941 as compared with an index of prices received, including a 5 percent allowance for Government payments, of 111 for 1935-39, both basis 1910-14.

Column 3: Current parity prices as calculated and published in the regular monthly price report of the Division of Agricultural Statistics, U.S. Department of Agriculture, or used in operation of programs administered by the Department.

METHOD III.- COMPUTATION OF PARITY PRICES USING 1920-29 OR 1935-39
AS BASE PERIOD

Commodity	Parity, basis 1920-29	Parity, basis 1935-39	Current parity price,		
	Average farm price, 1920-29	Adjusted New parity, June 1941 (Col. 1 x .80)	New parity, farm price, 1935-39 (Col. 3 x 1.06)	June 1941, without seasonal adjustment	
Column	(1)	(2)	(3)	(4)	(5)
Cotton, ¢ per lb.	19.44	15.55	12.3	13.0	16.12
Wheat, ¢ per bu.	118.7	95.0	93.8	99.4	114.9
Corn, ¢ per bu.	77.0	61.6	69.9	74.1	83.5
Hogs, \$ per cwt.	9.38	7.50	8.27	8.77	9.39
Beef cattle, \$ per cwt.	7.07	5.66	6.52	6.91	6.77
Butterfat, ¢ per lb.	42.8	34.2	28.7	30.4	34.2
Eggs, ¢ per doz.	29.2	23.4	20.8	22.0	28.0
Wool, ¢ per lb.	33.6	26.9	23.9	25.3	23.8
Soybeans, ¢ per bu.	1/	1/	88.0	93.0	2/
Fla. grapefruit, ¢ per box ..	154.0	123.0	60.0	64.0	3/115.0
Cal. oranges, ¢ per box	276.0	221.0	128.0	136.0	3/206.0
Cal. dried prunes, \$ per ton	114.5	91.6	60.0	64.0	3/ 95.0

1/ Soybean prices not available for 1920-29. 2/ Soybeans are a relatively new commodity, for which parity prices have not as yet been determined. 3/ Parity prices for 1940-41 season. Florida grapefruit and California oranges basis 1919-29, California dried prunes basis 1919-28.

Column 1: Average farm prices, crop years 1920-29.

Column 2: Prices from Column 1 adjusted for changes in prices paid for commodities, interest, taxes, and wages combined, which averaged 80 percent of the 1920-29 base in June 1941.

Column 3: Average farm prices, including Government payments on commodity basis, crop years 1935-39.

Column 4: Prices from Column 1 adjusted for changes in prices paid for commodities, interest, taxes, and wages combined, which averaged 106 percent of the 1935-39 base in June 1941.

Column 5: Current parity prices as calculated and published in the regular monthly price report of the Division of Agricultural Statistics, U.S. Department of Agriculture, or used in operation of programs administered by the Department.

